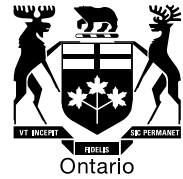


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BY E-MAIL

December 16, 2014

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited (Toronto Hydro)
Application for Rates – Request for Pacific Economics Group Research,
LLC (PEG) Data
Board File Number EB-2014-0116**

On December 8, 2014, Board staff filed with the Board a report by PEG entitled "Toronto Hydro Electric System Limited Custom IR Application and PSE Report *Econometric Benchmarking of Toronto Hydro's Historical and Projected Total Cost and Reliability Levels: Assessment and Recommendations*" (the PEG Report) in accordance with Issues List Decision and Procedural Order No. 3 (Procedural Order No. 3) issued on December 2, 2014.

On December 12, 2014, Toronto Hydro wrote to the Board regarding the PEG Report stating that pursuant to Procedural Order No. 3, it intended to submit written interrogatories on the PEG Report by December 22, 2014, but prior to doing so needed access to the data and other inputs (enclosed as Appendix A to its letter) used by PEG to arrive at the conclusions in its report, in order to conduct an in-depth review of PEG's analysis.

Attached to this letter is the information requested by Toronto Hydro which is being filed with the Board in confidence. There are three major components to the information being filed. The reason confidential treatment is being requested for each of these components is as follows:

The first component is computer programs which were developed by PEG and represent a significant intellectual investment by PEG. The Board has previously granted confidential treatment to PEG's computer programs in both the 3rd Generation Incentive Regulation and Price Cap IR proceedings.

The second is reliability data which PEG personnel have spent hundreds of hours locating, downloading and compiling in a manner that provides value to those that have access to the information. This also constitutes a significant intellectual investment for PEG for which confidential treatment is requested.

The third is cost data, which is very similar to the data that Toronto Hydro's consultant Power System Engineering Inc. (PSE) originally provided in response to Board staff's request for similar data of September 2014 and which PSE requested at that time be kept confidential. The request for confidentiality stems from the fact that the data was procured through SNL, a data provider that does not allow its data to be made publicly available, although it can be shared confidentially. The Board has previously granted confidential treatment to data from SNL in the proceedings referenced above.

Because of the confidential nature of this material, Board staff is only providing this cover letter to all parties at the present time. As PSE has signed and filed the Board's Declaration and Undertaking on confidentiality, and given the time constraints relating to the filing of interrogatories on December 22, 2014, Board staff has provided PSE with a copy of this material on a confidential basis.

Yours truly,

Original Signed By

Martin Davies
Project Advisor, Electricity Rates & Accounting

Attachment

cc: Parties to EB-2014-0116 proceeding (cover letter only)