



February 26, 2016

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St., Suite 2700  
Toronto, ON, M4P 1E4

Dear Ms. Walli:

**Re: EB-2015-0094**

**Oakville Hydro Electricity Distribution Inc. 2016 IRM Application – Cost Allocation Study**

Oakville Hydro Electricity Distribution Inc. (“Oakville Hydro”) filed an amended application with the Ontario Energy Board (the “OEB”) on November 16, 2015, under section 78 of the Ontario Energy Board Act, 1998, seeking approval for changes to its rates effective January 1, 2016 (the “Application”).

Under the terms of the OEB-approved Settlement Proposal in Oakville Hydro’s 2014 Cost of Service proceeding (EB-2013-0159), Oakville Hydro and the HVAC Coalition (the “HVACC”) agreed that they would jointly retain an independent consultant to conduct a cost allocation study to assess the reasonableness of costs allocated to Oakville Hydro Energy Services Inc. as it relates to its activities in relation to water heaters and Sandpiper Energy Solutions Home Comfort Inc. Oakville Hydro and the HVACC agreed that the study would be filed with Oakville Hydro’s 2016 IRM Application and that it would be up to the OEB to determine how it wished to proceed at that time.

On August 21, 2015, Oakville Hydro advised the OEB that the study would not be complete in time for submission with its Application. On November 24, 2015, Grant Thornton issued its draft report and on December 23, 2015, a revised draft was provided to the parties. On February 18, 2016, Grant Thornton provided the final version of the Cost Allocation Study to both parties and, in accordance with the terms of the Settlement Proposal, Oakville Hydro is now filing the Cost Allocation Study with the OEB.

The version of the Study being placed on the public record by Oakville Hydro contains a redaction at the bottom of page 39 related to the basis for rates charged to Sandpiper by Oakville Hydro for full-time staff responsible for overseeing part-time staff hired to work on activities

related to Sandpiper. The information has been redacted because its disclosure on the public record would effectively disclose an identifiable individual's salary. That disclosure could reasonably be expected to prejudice the employee's own competitive position in the labour market and result in undue loss to the person in that the disclosure would allow other prospective employers to reduce compensation that might otherwise be offered to attract that individual.

The OEB's *Practice Direction on Confidential Filings* recognizes that these are among the factors that the Board will take into consideration when addressing the confidentiality of filings. They are also addressed in clauses 17(1)(a) and (c) of the *Freedom of Information and Protection of Privacy Act* ("FIPPA") and clauses 10(1) (a) and (c) of the *Municipal Freedom of Information and Protection of Privacy Act* ("MFIPPA"), and the Practice Direction notes (at Appendix B of the Practice Direction) that third party information as described in subsection 17(1) of FIPPA is among the types of information previously assessed or maintained by the Board as confidential. Moreover, pursuant to subsections 21(1) of FIPPA and 14(1) of MFIPPA, the disclosure of personal information is presumed to constitute an invasion of privacy if the personal information describes (among other things) an individual's finances and/or income. Oakville Hydro does not intend to disclose that information in any manner, whether publicly or in confidence, notwithstanding that an individual may have executed the Board's form of Declaration and Undertaking with respect to confidentiality.

In keeping with the requirements of the Practice Direction, Oakville Hydro is filing with the OEB a confidential, unredacted version of the document that includes the personal information. This version has been placed in a sealed envelope marked "Confidential – Personal Information".

Respectfully submitted,

***Original Signed By***

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