

**Ontario Energy  
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**BY E-MAIL**

May 11, 2018

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

Dear Ms. Walli:

**Re: Hydro One Networks Inc.  
2018-2022 Rate-Setting Plan Application  
Ontario Energy Board File Number EB-2017-0049  
Interrogatory Request Responses on the Expert Evidence of Pacific  
Economics Group Research LLC and Confidentiality Request**

In accordance with Procedural Order No. 5 issued April 6, 2018, please find attached the responses to the interrogatories filed by parties on the report prepared by Pacific Economics Group Research LLC (PEG) entitled *IRM Design for Hydro One Networks, Inc.* and filed as Exhibit M1 in the current proceeding.

These interrogatory responses are marked as Exhibit L1.

**Request for Confidentiality**

On behalf of PEG, OEB staff requests confidential treatment of certain information requested in one of the Hydro One interrogatories. OEB staff also advises that PEG will not be providing certain other information mentioned in three other Hydro One interrogatories. The reasons for the confidentiality request and the refusal are provided below.

***Exhibit L1/Tab 8/HONI-9***

In this interrogatory, Hydro One Networks Inc. (HONI) requested PEG to provide all “working papers”, including all data used for the total factor productivity and benchmarking analyses in PEG’s evidence. PEG is filing certain non-confidential supplementary information on the public record, and it will be made available to all parties.

PEG notes, however, that certain data used was provided by HONI and its consultant, Power Systems Engineering (PSE) in confidence in response to an interrogatory (Exhibit I/Tab 8/Staff-23). On April 12, 2018, the OEB issued its Decision on Confidentiality in which the OEB determined that PSE's "working paper" data would be held in confidence. PEG has used PSE's data, along with some modifications or alternative data, in its analyses in its evidence. PEG is therefore bound to not publicly disclose the data that it obtained from PSE in accordance with the Decision on Confidentiality and its signed Declaration and Undertaking.

Additional data that has been incorporated by PEG into the PSE data cannot be readily disaggregated from the PSE data, and therefore it is not possible to file a redacted public version of it.

OEB staff is therefore requesting, pursuant to the *Practice Direction on Confidential Filings* (Practice Direction), that the PEG material being provided in response to this undertaking that includes material filed by PSE in confidence, whether in its original form or as modified by PEG, be declared confidential. Counsel or consultants to parties that wish to see the data may do so provided that they execute and file the OEB's Declaration and Undertaking, subject to OEB staff's right to object to any request for access pursuant to the Practice Direction.

***Exhibit L1/Tab 10/HONI-35, Exhibit L1/Tab 10/HONI-39, Exhibit L1/Tab 10/HONI-44***

In various interrogatories, HONI has requested copies of a study that PEG was commissioned by the Alberta Utilities Consumer Advocate (UCA) to perform to produce a more disaggregated benchmarking of Alberta utilities. The data and models used in this study were also requested. This report was completed in February 2018. However, this report has not been made public and the UCA declined public disclosure when contacted by PEG. OEB staff, on behalf of PEG, notes that, while the report is mentioned in PEG's report (Exhibit M1), it is mentioned simply as an example of doing cost benchmarking at a more disaggregated level. PEG has not used or relied on the UCA study or the underlying data and models in its evidence in this proceeding.

OEB staff's submission is that the UCA study and the associated data and models are not relevant to PEG's evidence in this proceeding and are not being provided, as noted in the response to Exhibit L1/Tab 10/HONI-52 (included in the attached interrogatory responses). In addition, as noted PEG does not have the permission of the UCA to disclose the report and its working papers.

Yours truly,

*Original signed by*

Martin Davies  
Project Advisor, Major Applications

**Attachment**

**cc: Hydro One Networks Inc.**

**All registered intervenors to EB-2017-0049**