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Frank D'Andrea

Vice President
Regulatory Affairs

BY COURIER

August 29, 2018

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli,

EB-2018-0218 – Hydro One Sault Ste Marie (“HOSSM”) - Submission of Data related to the PSE Total Cost Benchmarking Report

HOSSM recently filed a request for a Revenue Cap Index starting in 2019. In support of that request, HOSSM filed a study from Power Systems Engineering Inc. (“PSE”) titled “*Recommended CIR Parameters and Productivity Comparisons*” (“the Study”) as Attachment 1 to Exhibit D, Schedule 1, Tab 1.

The Study is fundamentally similar to those filed in past applications by Hydro One Networks Inc. (“Hydro One”). For example, in the recent Hydro One Distribution proceeding EB-2017-0049, PSE studies on Total Factor Productivity and Total Cost Benchmarking were filed as Attachments 1 and 2 to Exhibit A, Schedule 3, Tab 2. OEB Staff (“Staff”) filed an interrogatory noted as I-08-Staff-023 that requested copies of the working papers related to the PSE studies. Hydro One provided the requested material in confidence and in its “*Decision on Confidentiality*” dated April 12, 2018, the OEB agreed to treat the working papers as confidential on the basis that they contain proprietary technical information and stated that intervenors may request a copy.

In conversation with Staff, HOSSM understands that the files and information would be helpful to support Staff’s analysis of the Study filed in this case. HOSSM has made arrangements with PSE to provide the materials (the “Working Papers”) proactively in advance of any Interrogatory phase of this proceeding.

Please find enclosed with this letter a USB key which includes copies of the Working Papers. The data is encrypted, and information is included with the USB key to facilitate access. HOSSM and PSE request confidential treatment of the Working Papers pursuant to the OEB’s



Rules of Practice and Procedure Rule 10.01 and the OEB's Practice Direction on Confidential Filings. Confidential treatment of the Working Papers is requested, as public disclosure of the Working Papers would be detrimental due to the commercially sensitive data, including commercially sensitive third party data, which the Working Papers contain.

As required by the Practice Direction, the following is a description of the materials on the USB key: the materials are PSE's working papers associated with the Study. The Working Papers include all data in Excel form; calculations in Excel form / program code; variable names / company ID numbers and any other information needed for an experienced consultant to be able to replicate PSE's work.

We trust that provision of this information will prove helpful to support the efficient review of the Study and timely review of HOSSM's application.

Sincerely,

ORIGINAL SIGNED BY JEFFREY SMITH ON BEHALF OF FRANK D'ANDREA

Frank D'Andrea

Enc.