

BY EMAIL

July 10, 2019

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Alectra Utilities Corporation (Alectra Utilities)
Application for 2020 Electricity Distribution Rates
OEB Staff Submission
Ontario Energy Board File Number: EB-2019-0018**

In accordance with Procedural Order No. 1, please find attached OEB staff's submission in the above proceeding.

Yours truly,

Original Signed By

Katherine Wang
Advisor
Incentive Rate-setting and Accounting

Encl.

ONTARIO ENERGY BOARD

STAFF SUBMISSION ON CONFIDENTIALITY

2020 ELECTRICITY DISTRIBUTION RATES

Alectra Utilities Corporation

EB-2019-0018

July 10, 2019

INTRODUCTION

Alectra Utilities Corporation (Alectra Utilities) filed its Price Cap Incentive Rate-setting rate application with the Ontario Energy Board (OEB) on May 28, 2019 under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Alectra Utilities charges for electricity distribution, to be effective January 1, 2020.

As part of Alectra Utilities' 2020 rate application, it filed the following documents with selected portions redacted and requested confidential treatment over the redacted information pursuant to the OEB's *Practice Direction on Confidential Filings*¹(Practice Direction):

1. Exhibit 4 Distribution System Plan, Tab 1, Schedule 1, Appendix A13, page 20, 23, 33, 39 and 46 (Stations Capacity Investment Summary)
2. Exhibit 4 Distribution System Plan, Tab 1, Schedule 1, Appendix B, page 63, 65, 82-83 and 202-203 (Business Cases)
3. Exhibit 4 Distribution System Plan, Tab 1, Schedule 1, Appendix L (Alectra Value Framework Implementation Document, referred to as the Report)

In a letter sent to the OEB on May 29, 2019, Alectra Utilities stated that documents 1 and 2 listed above contain information regarding the estimated values of certain properties on which Alectra Utilities' stations are situated.

With respect to the Report noted in document 3, Alectra Utilities stated that it received the Report from Copperleaf Technologies, which is a third party commercial enterprise from which Alectra Utilities has procured a proprietary software solution, known as CopperLeaf C55, to assist in managing its capital investment portfolio.

The OEB issued Procedural Order No. 1 on July 9, 2019 that, among other things, set a schedule for submissions on the confidentiality requests. OEB staff's submission on the confidentiality requests are set out below.

STAFF SUBMISSION

Document 1 provides a summary of the capacity investments for multiple stations. Document 2 contains the corresponding business cases for these stations. In documents 1 and 2, Alectra Utilities redacted multiple dollar amounts related to the estimated values of certain properties on which Alectra Utilities' stations are situated.

¹ Practice Direction on Confidential Filings, October 28, 2016

Alectra Utilities currently leases the properties and is in the process of negotiating for the potential purchase of these properties. Alectra Utilities stated that the disclosure of its estimated purchase prices for these properties would significantly interfere with and prejudice Alectra Utilities' position in the negotiations.

In Appendix A of the Practice Direction, it states that the OEB will strive to find balance between the general public interest in transparency and openness and the need to protect confidential information. Among other factors, the OEB may consider the potential harm that could result from the disclosure of the information, including prejudice to any person's competitive position. Given the specific information and ongoing nature of negotiations, OEB staff submits that the redacted information in documents 1 and 2 should be confidential.

Document 3 is the Report that Alectra Utilities received from Copperleaf Technologies. The Report describes how CopperLeaf C55 (software solution that Alectra Utilities purchased from Copperleaf Technologies to assist managing capital investment portfolio) is used to support value-based decision making by comparing investments against each other. The Report contains formulas for calculating certain variables (e.g. Operating, Maintenance & Administrative costs, capital financial benefits, etc.) within CopperLeaf C55 software. In this document, Alectra Utilities redacted these formulas. Alectra Utilities stated that this third party information is of a proprietary nature and comprises trade secrets of Copperleaf Technologies. Alectra Utilities further argued that disclosure of it could adversely impact the company's competitive position and commercial interests.

Appendix A of the Practice Direction states that among other factors, the OEB will consider whether the information consists of a trade secret or financial, commercial, scientific, or technical material that is consistently treated in a confidential manner by the person providing it to the OEB. The OEB may also consider the potential harm that could result from the disclosure of the information, including prejudice to any person's competitive position. Having reviewed document 3, OEB staff agrees with Alectra Utilities that the disclosure of the formula information could impact the Cooperleaf Technologies' competitive position and the information should be confidential.

All of which is respectfully submitted