

August 2, 2019

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

Dear Ms. Walli:

**Re: Hydro One Networks Inc. (“Hydro One”)
Custom Incentive Rate-setting (“Custom IR”) Application for 2020-2022
Transmission Rates (OEB File No. EB-2019-0082)
Request for Confidential Treatment of Interrogatory Responses**

We are counsel to Hydro One, which is the applicant in the above-referenced proceeding. Hydro One filed its interrogatory responses on August 2, 2019. Pursuant to Rule 10.01 of the Ontario Energy Board’s (“OEB”) *Rules of Practice and Procedure* and the OEB’s *Practice Direction on Confidential Filings* (the “**Practice Direction**”), Hydro One hereby requests the confidential treatment of certain information contained in its interrogatory responses. The particular information for which Hydro One seeks confidential treatment, and the rationale for the requests, are as follows.

1. Commercially Sensitive Information of Consultants

Hydro One requests confidential treatment, by means of redaction, for the following pricing and third-party information contained in retainer agreements with consultants:

(a) *Pricing Information*

- certain portions of the retainer agreements for Metsco Energy Solutions (“**METSCO**”), Boston Consulting Group (“**BCG**”) and Innovative Research Group (“**Innovative**”), which are included as Attachment 1 to each of the following interrogatory responses: I-07-SEC-13 (“**METSCO Retainer**”), I-07-SEC-16 (“**BCG Retainer**”) and I-05-CME-012 (“**Innovative Retainer**”, collectively, the “**Consultant Retainers**”). The redacted portions of the Consultant Retainers consist of commercially sensitive pricing terms agreed upon by Hydro One and each of its consultants through commercial negotiations. Hydro One is advised by the consultants that disclosing this information on the public record could prejudice the respective competitive position of the consultants in future negotiations to provide similar services to Hydro One or other potential clients; and

- certain portions of Hydro One’s response to part (c) of interrogatory, I-07-SEC-16, which provide the total cost of transmission-related work performed by BCG for Hydro One over the past five years. Hydro One is advised by BCG that disclosing this information on the public record could prejudice BCG’s competitive position in future negotiations to provide similar services to Hydro One or other potential clients.

(b) *Third Party Information*

- The METSCO Retainer contains information pertaining to third parties who are clients of METSCO. Hydro One is advised that this information is subject to contractual confidentiality and/or non-disclosure obligations. METSCO is not authorized by the relevant clients to disclose such information publicly. Disclosing such information on the public record would breach METSCO’s obligation to its clients and could adversely impact its relationship with the clients.

Information relating to pricing terms appears on pages 2-3 of the METSCO Retainer, page 2 of the BCG Retainer and page 3 of the Innovative Retainer. Information pertaining to METSCO’s clients appears on pages 10-14 of the METSCO Retainer. Confidential, unredacted copies of the relevant pages of the Consultant Retainers and Hydro One’s response to I-07-SEC-16 (c), which have been marked “Confidential” and which identify all portions for which confidentiality is claimed using highlighting, are provided in **Appendices “A”, “B” and “C”**. Non-confidential redacted versions have been included in Hydro One’s interrogatory responses as filed.

2. Information Posing Security-Related Risks

Hydro One requests confidential treatment, by means of redaction, for the following information, the disclosure of which is considered by Hydro One to pose security-related risks:

- certain portions of the Inergi Agreement, which is included as Attachment 1 to interrogatory response, I-11-CCC-038 (the “**Inergi Agreement**”). The Inergi Agreement contains undisclosed information about third party software and its location used in the provision of the services under the Inergi Agreement, as well as information pertaining to IT architecture and applications;
- certain portions of the summaries of Hydro One’s internal audit reports, which are included as Attachment 1 to interrogatory response, I-07-SEC-006 (the “**Audit Summaries**”). The Audit Summaries contain information that directly or indirectly discusses potential vulnerabilities in Hydro One’s operational resiliency and physical and cyber protection at critical transmission and distribution stations; and
- certain portions of interrogatories responses, I-01-OEB-103, I-01-OEB-108, I-01-OEB-112 that disclose NPCC/NERC classification of Hydro One facilities (“**NPCC/NERC Classification**”).

The above-noted information from the Inergi Agreement, the Audit Summaries and the NPCC/NERC Classification are highly sensitive from a system security perspective and, if disclosed, can pose security risks to Hydro One’s transmission and distribution systems. Furthermore, information regarding NERC/NPCC Classification is subject to confidentiality provisions described in section 5 of Chapter 3 of the IESO Market Rules.

Information for which Hydro One seeks confidential treatment on the basis of it posing security-related risks appears (i) in Exhibit 1 (IM SOW), Attachments D, E & G to Exhibit 1 (ADM-IM-SOW), and Attachments A, D, E to Exhibit 1 (S2P-SOW) of the Inergi Agreement; (ii) on pages 17-22 of the Audit Summaries; and (iii) in Table 1 of each of the interrogatories responses, I-01-OEB-103, I-01-OEB-108 and I-01-OEB-112. Confidential, unredacted copies of the relevant pages of the Inergi Agreement, the Audit Summaries, and the NPCC/NERC Classification, which have been marked “Confidential” and which identify all portions for which confidentiality is claimed using highlighting, are provided in **Appendices “D”, “E” and “F”**, respectively. Non-confidential redacted versions have been included in Hydro One’s interrogatory responses as filed.

3. Unit Pricing Information

Hydro One requests confidential treatment, by means of redaction, for certain portions of the Inergi Agreement that contain unit pricing information. The unit pricing information is commercially sensitive and its disclosure could significantly impact Inergi’s competitive position as well as interfere with Hydro One’s future negotiating position in respect of outsourcing agreements. If unit pricing information is disclosed, benchmarks would be made available for future bidders of outsourcing contracts that involve Hydro One. This has the potential to reduce Hydro One’s likelihood of receiving the lowest cost bids.

Unit pricing information appears in Attachment A to Exhibit 3 (ADM-IM-PPD SOW); Exhibit 3 (S2P SOW); Attachments A & D to Exhibit 3 (S2P SOW) and Exhibit 6 (S2P SOW) of the Inergi Agreement. Confidential, unredacted copies of relevant pages of the Inergi Agreement, which have been marked “Confidential” and which identify all portions for which confidentiality is claimed using highlighting are provided in **Appendix “D”**. A non-confidential redacted version has been included in Hydro One’s interrogatory response as filed.

4. Proprietary Information of Third Party

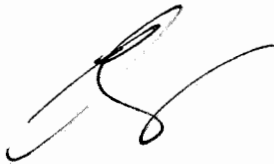
Hydro One requests confidential treatment for PSE’s updated working papers, which are provided in response to interrogatory, I-01-OEB-009 (the “**PSE Working Papers**”). The PSE Working Papers include proprietary data, calculations, program code, and other documentation associated with the PSE study prepared for Hydro One in the current proceeding.

Hydro One is advised by PSE that the PSE Working Papers contain proprietary technical information including economic modelling and underlying data variables that have been processed and calculated with significant investment and time, resulting in considerable commercial value to PSE. Furthermore, the PSE Working Papers contain raw data elements which are subject to contractual, non-disclosure obligations between PSE and third parties. Public disclosure of the PSE Working Papers would reasonably cause significant financial and competitive harm to PSE. Confidential copies of the PSE Working Papers are provided in separate encrypted USB.

The information described above for which Hydro One seeks confidential treatment is consistent with the types of information for which confidential treatment is contemplated in Appendix ‘A’ to the Practice Direction and for which the OEB has consistently granted confidential treatment in prior proceedings.

Please note that the appendices to this request, along with the encrypted USB containing the PSE Working Papers, are being provided to the OEB in a separate, sealed envelope that is marked "Confidential" and which has been excluded from the electronic version of this request. Hydro One will be communicating the password for the encrypted USB by means of a separate communication to the OEB Secretary. As noted, non-confidential, redacted versions of the relevant documents have been incorporated into the interrogatories responses as filed.

Yours truly,

A handwritten signature in black ink, appearing to be 'C. Keizer', with a long, sweeping underline that extends to the right.

Charles Keizer

cc: Hydro One
All Parties

APPENDIX 'A'

Confidential Excerpts from the METSCO Retainer

[Note: A copy of this Appendix has been filed confidentially with the OEB in accordance with the *Practice Direction on Confidential Filings*]

APPENDIX 'B'

**Confidential Version of I-07-SEC-16 (c) (incl. Attachment 1 - Confidential Excerpt
from the BCG Retainer)**

[Note: A copy of this Appendix has been filed confidentially with the OEB in accordance with the *Practice Direction on Confidential Filings*]

APPENDIX 'C'

Confidential Version of the Innovative Retainer

[Note: A copy of this Appendix has been filed confidentially with the OEB in accordance with the *Practice Direction on Confidential Filings*]

APPENDIX 'D'

Confidential Excerpts from the Inergi Agreement

[Note: A copy of this Appendix has been filed confidentially with the OEB in accordance with the *Practice Direction on Confidential Filings*]

APPENDIX 'E'

Confidential Excerpts from the Audit Summaries

[Note: A copy of this Appendix has been filed confidentially with the OEB in accordance with the *Practice Direction on Confidential Filings*]

APPENDIX 'F'

Confidential Versions of NPCC/NERC Classification Interrogatories Responses

[Note: A copy of this Appendix has been filed confidentially with the OEB in accordance with the *Practice Direction on Confidential Filings*]