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**BY EMAIL**

September 13, 2019

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

Dear Ms. Walli:

**Re: Hydro One Networks Inc. (Hydro One)  
Application for 2020-2022 Electricity Transmission Rates  
Request for Working Papers of the Expert Evidence of Pacific Economics  
Group Research LLC (PEG)  
Board File Number: EB-2019-0082**

In accordance with Procedural Order No. 3 issued by the Ontario Energy Board (OEB) on August 20, 2019, OEB staff filed the report prepared by entitled *Incentive Regulation for Hydro One Transmission* (Exhibit M1).

On September 10, 2019, counsel for Hydro One has filed a request, by e-mail, for the “working papers” that PEG used in the analyses contained in its report. These “working papers” are comprised of the database and Excel spreadsheets filed with the data, as well as program code and other documentation, that would enable another economist or econometrician to replicate PEG’s analyses.

OEB staff, working with PEG, is prepared to provide the “working papers”. However, OEB staff is requesting confidential treatment for the “working papers” in their entirety, for several reasons:

- 1) PEG’s working papers use, in large part and as the starting point for PEG’s analyses, the “working papers” of Power Systems Engineering Inc. (PSE), Hydro One’s external expert, that were provided in response to an interrogatory, under a claim of confidentiality.<sup>1</sup> OEB staff notes that the OEB’s letter<sup>2</sup> proposing adoption of the record from the earlier Hydro One Sault Ste. Marie LP (Hydro

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<sup>1</sup> Exhibit I/Tab 1/Schedule 9

<sup>2</sup> OEB, Proposed Adoption of Certain Evidence from EB-2018-0218, June 28, 2019

One SSM) noted the accepted confidentiality of PSE's and PEG's earlier working papers stating:

2. As noted earlier in this letter, PSE has filed an updated report in the current proceeding, with some changes to the data and models. The "working papers" will be changed from what was filed and granted confidential treatment in EB-2018-0218. Parties that wish to request copies of PSE's updated "working papers" used for the analyses documented in the updated report filed on the record in the current application for Hydro One may file a request to do so. Any such requests must be in accordance with the OEB's Practice Direction on Confidential Filings, including filing a completed Declaration and Undertaking for any person who will have access to the "working papers".

In the Decision on Confidentiality issued on September 11, 2019, the OEB accepted the confidentiality of PSE's updated "working papers. As PSE's "working papers" have been granted confidential treatment in their entirety, PEG cannot publicly disclose its "working papers", which contain PSE's data, in accordance with its executed Declarations and Undertakings.

- 2) PEG's "working papers" also contain data and program code that PEG has developed, or that PEG has acquired from commercial third-party vendors. The data and code may be under agreements for public non-disclosure and would have commercial value to economics consultants who are competitors to PEG.
- 3) As the OEB noted in its June 28, 2019 letter, "[t]he "working papers" are voluminous spreadsheet and database files of most use to economists and econometricians familiar with these sophisticated models." It would be onerous and unhelpful to try to provide redacted public versions of these files.

OEB staff therefore requests confidential treatment of PEG's "working papers" in their entirety. This would be consistent with the treatment afforded to PSE's "working papers" in this proceeding, and to both PSE's and PEG's "working papers" in other cases, most recently for Hydro One SSM<sup>3</sup> and for Toronto Hydro-Electric System Limited.<sup>4</sup>

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<sup>3</sup> EB-2018-0218, Decision on Confidentiality and Procedural Order No. 2, November 6, 2018 and Decision on Request for Confidential Documents and Procedural Order No. 4, February 15, 2019

<sup>4</sup> EB-2018-0165, Decision on Confidentiality and Procedural Order No. 2, November 21, 2018 and Decision on Confidentiality and Procedural Order No. 7, April 1, 2019

OEB staff will provide, as soon as is possible, PEG's "working papers" to parties' counsel and consultants, where those individuals have executed the OEB's form of Declaration and Undertaking in accordance with the OEB's *Practice Direction on Confidential Filings* and who are requesting this information. Hydro One should also confirm for whom it is requesting the information and file the necessary executed Declarations and Undertakings.

Yours truly,

*Original signed by*

Keith C. Ritchie  
Project Advisor, Application Policy & Climate Change

cc: All registered parties to EB-2019-0082