

May 18, 2022

RESS & EMAIL

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Nancy Marconi, Registrar

Dear Ms. Marconi:

**Re: Hydro One Networks Inc. (“Hydro One”)
EB-2021-0110: Custom Incentive Rate-setting Application for 2023-2027
Distribution Rates and Transmission Revenue Requirement (“Application”)
- Request for Confidential Treatment of Certain Information in Responses
to Interrogatories on Application Update**

We are legal counsel to Hydro One, the applicant in the above-referenced proceeding. Hydro One filed its responses to interrogatories on the Application Update on May 16, 2022. Pursuant to 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 and claims non-relevance over parts of one document contained in its interrogatory responses.

The specific information for which Hydro One seeks confidential treatment and claims non-relevance, and the rationale for the requests, are provided below. Appendix ‘A’ identifies (i) page references for the interrogatory responses and/or associated attachments that contain the information for which confidentiality is requested, and (ii) the appendix attached hereto containing the confidential, unredacted copy of each document that is the subject of this request.

A. Procedural Matters

Pursuant to the OEB’s Digitization Program, Hydro One is providing a public version of this letter without confidential attachments electronically through the OEB’s Regulatory Electronic Submission System. Hydro One will also be uploading the following three confidential versions of the documents to separate folders in Torys’ Sharefile data management system:

1. **OEB Eyes Only version** is a confidential, unredacted version of this letter that contains (i) the applicable confidential documents and (ii) the information that is considered non-relevant to the proceeding in accordance with section 11 of the Practice

Direction. Information for which confidentiality and non-relevance are being claimed has been marked as “Confidential” and “Confidential – Not Relevant”, respectively and identified using red box highlighting.

2. **Confidential Labour version** is a confidential, unredacted version of this letter that contains the applicable confidential documents but excludes the information that is considered non-relevant to the proceeding in accordance with section 11 of the Practice Direction. Access to this version will be granted in accordance with the procedure set out in Procedural Order No. 2. This version of the document has been marked “Confidential” and identifies all portions of the document for which confidentiality is claimed using red box highlighting.
3. **Confidential Non-Labour version** is a confidential, unredacted version of this letter that contains the applicable confidential documents but excludes the information (i) that is considered non-relevant to the proceeding in accordance with section 11 of the practice Direction, and (ii) relating to labour relations and collective bargaining. Access to this version will be granted in accordance with the procedure set out in Procedural Order No. 2. This version of the document has been marked “Confidential” and identifies all portions of the document for which confidentiality is claimed using red box highlighting.

As an interim measure for efficiency, prior to the OEB making its final determination on Hydro One’s requests for confidential treatment, Hydro One will proceed as though its requests for confidentiality have been granted. However, Hydro One reserves the right to submit that it may not be appropriate for any particular intervenor representative to have access to certain confidential information even though they have completed and signed a Declaration and Undertaking.

Should the OEB grant Hydro One’s requests for confidentiality, Hydro One proposes that the OEB order the documents to be disclosed, subject to any conditions the OEB may find appropriate, to only those persons that have signed and filed a Declaration and Undertaking in the approved form. In addition, consistent with section 6.2 of the Practice Direction, Hydro One requests that during oral proceedings any reference to information which the OEB has determined to be confidential, be conducted in camera to preserve its confidential nature – and also subject to the additional conditions referred to below in respect of the labour relations information.

In the event that one or more of Hydro One’s confidentiality requests are refused, in whole or in part, and Hydro One in turn requests that some or all of the information that is the subject of its request be withdrawn in accordance with section 5.1.12 of the Practice Direction, Hydro One expects that all persons in possession of the said information will be required to promptly destroy the information and confirm its destruction in accordance with the Declaration and Undertaking.

B. Reasons for Confidential Treatment

The specific information for which Hydro One seeks confidential treatment and the rationale for the requests are set out below.

1. Information Not Relevant to the Proceeding

Certain portions of the analysis of financial impacts of the inflation update, included as Attachment 2 to interrogatory response O-SEC-242 (the “Financial Analysis”) are not relevant to the proceeding as they contain forward-looking financial information of Hydro One’s parent company, Hydro One Limited (“HOL”). In particular, the Financial Analysis contains analysis of the financial impacts of inflation on HOL’s Earnings Per Share (“EPS”) forecast on a consolidated basis over the 2023-2027 period. This information is non-public and forward-looking financial information of HOL, which is a publicly traded and non-rate regulated entity, and includes financial information relating to Hydro One’s non-rate regulated affiliates engaged in competitive business activities as well as other rate-regulated affiliates that are not the subject of this application. Financial information relating to Hydro One’s non-rate regulated affiliates and non-rate regulated business activities, as well as relating to other rate-regulated affiliates that are not the subject of the application, is not relevant and would not assist the OEB in deciding the matters at issue in this application. Hydro One has therefore redacted the non-relevant portions of the document and access will be provided to the OEB only in accordance with section 11 of the Practice Direction.

In the alternative, should the OEB determine that the information is relevant to the application, Hydro One requests confidential treatment on the basis that it is non-public, forward-looking financial information of HOL, the disclosure of which could give rise to liability under Ontario securities law. Hydro One notes that this is a category of information that, under the Practice Direction, is presumptively considered confidential.

2. Commercial and Proprietary Information of Third Parties

Hydro One requests confidential treatment, by means of redaction, for certain third-party economic and price forecast reports, included as Attachments 8-10 to interrogatory response O-SEC-244 and further identified in Appendix ‘A’ below (the “Economic and Price Forecast Reports”). The Economic and Price Forecast Reports are proprietary in nature. Each of the relevant consultants has confirmed that their report may only be filed by Hydro One on a confidential basis. The reports are provided to Hydro One under paid subscriptions, have consistently been treated in confidence by the respective consultants and by Hydro One, and are of considerable commercial value to the consultants as they include the underlying historical data that has been processed and calculated with significant investment, expertise and time. Public disclosure of the Economic and Price Forecast Reports could therefore prejudice the consultants’ economic interests and competitive positions, while providing an unfair advantage to their competitors.

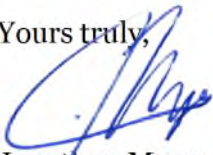
3. Labour Relations and Collective Bargaining Information

Hydro One requests confidential treatment, by means of redaction, for certain portions of interrogatory response O-Staff-381 (the “Labour Relations IR”). The Labour Relations IR contains sensitive labour and collective bargaining information that, if disclosed on the public record, would prejudice Hydro One’s position in upcoming rounds of collective bargaining with the Power Workers’ Union (“PWU”), the Society of United Professionals (“Society”), and any other unions with whom Hydro One negotiates. In particular, the Labour Relations IR describes elements of Hydro One’s labour relations strategy and approach, and potential outcomes or factors that may affect outcomes, in respect of upcoming rounds of collective bargaining. Consistent with the grounds and need for confidential treatment of the Labour Relations

Appendix and certain previous labour related interrogatory and technical conference undertaking responses (collectively referred to as the “Labour Relations Evidence”), the redacted information contained in the Labour Relations IR is confidential and would be highly prejudicial to Hydro One if disclosed to union representatives, as it could be used against the utility during upcoming rounds of negotiations and influence bargaining outcomes to Hydro One’s (and ratepayers’) detriment.

Similar to the OEB-approved treatment of the Labour Relations Evidence, Hydro One requests that any access to confidential portions of the Labour Relations IR only be given to those individuals who execute and file the OEB’s standard confidentiality Declaration and Undertaking. Further, in respect of the PWU, the Society, and any other unions, Hydro One requests: that only external counsel and/or external consultant(s) representing the unions in this proceeding be permitted to have access to the confidential portions of the Labour Relations IR and, as a condition of obtaining access, the external counsel and/or consultant(s) be required to execute and file (i) the standard Declaration and Undertaking, and also (ii) an affidavit confirming that they are at arms-length from the union and are not, and will not be, involved in any way in collective bargaining on behalf of the union through to the end of the rate period covered by the Application. These requested protocols are consistent with those ordered by the OEB in its decisions dated October 25, 2021 and April 14, 2022 in respect of the Labour Relations Evidence.

Yours truly,



Jonathan Myers

cc: Hydro One
All Parties

Appendix 'A'

IRR	IRR/Attachment Description	Confidential Info Location	Confidential Submission Appendix	Rationale Summary Reference
O-SEC-242, Attachment 2	The Financial Analysis	p. 1 (of 1)	Appendix 'B'	Section 1
O-SEC-244, Attachment 8	Surveys of International Economic Forecasts by Consensus Economics Inc. (April 11, 2022)	Entire document	Appendix 'C'	Section 2
O-SEC-244, Attachment 9	University of Toronto's OEA Tables - Quarterly Data	Entire document	Appendix 'D'	Section 2
O-SEC-244, Attachment 10	The Centre for Spatial Economics' Ontario: Key Indicators – March 2022 Ontario Regional Forecast	Entire document	Appendix 'E'	Section 2
O-Staff-381	Labour IR	pp. 1 & 2 (of 2)	Appendix 'F'	Section 3

Appendices B to F have been filed confidentially with the OEB in accordance with the *Practice Direction on Confidential Filings*