

BY EMAIL AND RESS

December 19, 2023

Ms. Nancy Marconi
Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Marconi,

EB-2023-0198 – Hydro One Networks Inc. (“Hydro One”) Leave to Construct Application – Waasigan Project – Confidential Filing

Pursuant to Rule 10 of the Ontario Energy Board’s (OEB) Rules of Practice and Procedure (the “**Rules**”) and the OEB’s Practice Direction on Confidential Filings dated December 17, 2021 (the “**Practice Direction**”), Hydro One hereby requests the confidential treatment of certain information contained in its responses to OEB staff interrogatories as follows;

- **OEB Staff 4 (a)** – seeking information regarding the calculation of the Project’s annual line losses;
- **OEB Staff 9(a) and (b)** pertaining to requests for Engineering, Procurement and Construction (“EPC”) contract pricing information, and;
- **OEB Staff 22(a), 25(f) and 30(e)** pertaining to non-public forward-looking financial information.

In accordance with subsection 6.1.2, 6.1.4 and 6.1.7 of the Practice Direction and subsections 10.01 and 10.02 of the Rules, Hydro One proposes that the confidential versions of its responses to OEB staff interrogatories 9(a) and (b) be disclosed to only counsel for OEB Staff from whom the OEB accepts a Declaration and Undertaking, but not to their experts or consultants nor to the representatives (including counsel), experts or consultants for the following registered parties:

- Gwayakocchigewin Limited Partnership (“GLP”)
- Kurt Krause
- Lac des Mille Lacs First Nation (“LDMLFN”)
- Larry Richard
- Neighbours on the Line (“NOTL”)
- Northwestern Ontario Metis Community and Region 2 of the Metis Nation of Ontario (“MNO”)
- IESO
- OPG

The basis for the requested confidential treatment is that the specified persons represent or constitute entities which may procure or provide utility services in competition with Hydro One's EPC contractor (Valard Construction LP, "**Valard**") and could receive commercial advantages from having access to the confidential information.

Hydro One proposes that the confidential versions of its responses to OEB Staff interrogatories 4(a), 22(a), 25(f) and 30(e) be disclosed to only counsel, experts or consultants for any of the registered parties from whom the OEB accepts a Declaration and Undertaking, in accordance with subsection 6.1.2 of the Practice Direction.

The specific information for which Hydro One seeks confidential treatment and a summary of supporting rationale are set out below as required by subsections 5.1 and 5.3 of the Practice Direction.

OEB Staff Interrogatory	Information for which confidential treatment is being requested	Presumptively confidential category (Appendix B)	Alternative rationale (Appendix A)
OEB Staff IR 04 (a) - Please provide calculations to derive the information in Tables 1 and 2 in the reference.	Attachment 1 – Live MS Excel Spreadsheet, containing methodology and data used by Hydro One to derive incremental NPV values.		<p>The requested information consists of commercial material that is consistently treated in a confidential manner by Hydro One.</p> <p>Disclosure of this information could prejudice the competitive position of wholesale market participants, likely producing significant loss or gain.</p> <p>Confidential treatment of this commercially sensitive information is consistent with the OEB's Decision and Order dated March 15, 2021 in EB-2020-0265.</p>
OEB Staff IR 09(a) - Please provide a breakdown of the fixed price EPC contract by line costs and station costs	A breakdown of the components of the EPC fixed contract price.	Unit pricing or billing rate of a third party (Valard).	<p>Hydro One's experience as a transmission and distribution project developer is that there are a limited number of vendors offering utility services in Ontario such that disclosure of the requested information could prejudice Valard's competitive position in future competitive procurements or bids with other and future potential clients.</p> <p>Disclosure of the confidential information could also prejudice Valard's subcontracting negotiations</p>

			<p>for the project that is the subject of this proceeding.</p> <p>In addition, disclosing this information could interfere significantly with Hydro One's other and future negotiating position – including with one or more of the registered interveners in this proceeding - regarding other outsourcing agreements with the potential to reduce Hydro One's likelihood of receiving lowest cost bids.</p> <p>Confidential treatment of this commercially sensitive information is consistent with the OEB's Decision and Orders dated December 12, 2019 in EB-2019-0082 and November 9, 2022 in EB-2022-0041.</p>
<p>OEB Staff IR 9(b) - What is the magnitude of the EPC contract as a percentage of the total Project cost?</p>	<p>EPC fixed contract price.</p>	<p>Unit billing of a third party (EPC contractor).</p>	<p>Hydro One's experience as a transmission and distribution project developer is that there are a limited number of vendors offering utility services in Ontario such that disclosure of the requested information could prejudice Valard's competitive position in future competitive procurements or bids with other and future potential clients.</p> <p>Disclosure of the confidential information could also prejudice Valard's subcontracting negotiations for the project that is the subject of this proceeding.</p> <p>In addition, disclosing this information could interfere significantly with Hydro One's other and future negotiating position – including with one or more of the registered interveners in this proceeding - regarding other outsourcing agreements with the potential to reduce Hydro One's likelihood of receiving lowest cost bids.</p> <p>Confidential treatment of this commercially sensitive information is consistent with the OEB's Decision and Orders dated December 12, 2019</p>

			in EB-2019-0082 and November 9, 2022 in EB-2022-0041 .
OEB Staff IR 22(a) - In calculating the blended OCR, please provide a breakdown of capital expenditures that Hydro One determined to be directly related to the ECI-EPC projects and non-ECI-EPC projects (standard delivery Tx), as well as a description for each.	A breakdown of the (capital expenditure) components of the ECI-EPC methodology.	Non-public forward-looking financial information where such disclosure could give rise to liability under Ontario securities law.	The information consists of financial material that is consistently treated by Hydro One in a confidential manner.
OEB Staff IR 25(f) - Given that the ATP Account decision did not take issue with Hydro One's proposed treatment of indirect costs, what was the main driver behind Hydro One proposing the different treatment of indirect costs in the current application for the Project? Please explain, including why the blended OCR was only brought forward by Hydro One in the current application to the OEB that fewer indirect resources (i.e., overheads) from Hydro One are required to support the Project.	A breakdown of the (indirect costs) components of the ECI-EPC methodology.	Non-public forward-looking financial information where such disclosure could give rise to liability under Ontario securities law.	The information consists of financial material that is consistently treated by Hydro One in a confidential manner.
OEB Staff IR 30(e) - Please confirm that the resulting variances in dollars and percentages shown in the response to part d) of this interrogatory are material. If these variances are not material, please explain why Hydro One is proposing a change to its overhead capitalization rate in this application.	A breakdown of the (capital expenditure) components of the ECI-EPC methodology.	Non-public forward-looking financial information where such disclosure could give rise to liability under Ontario securities law.	The information consists of financial material that is consistently treated by Hydro One in a confidential manner.

Non-confidential, redacted versions of Hydro One's responses to the above listed interrogatories are enclosed with this letter. The information for which Hydro One is seeking confidential treatment under

subsections 6.14 and 6.1.7 of the Practice Direction are highlighted in **red** in the responses provided on the public record. The information for which Hydro One is seeking confidential treatment under subsection 6.1.2 of the Practice Direction are highlighted in **yellow** in the responses provided on the public record. Confidential versions of the above noted responses will be provided to the OEB under separate cover.

Please contact Joanne Richardson joanne.richardson@hydroone.com if you have any questions in regards to the foregoing.

Sincerely,

A handwritten signature in black ink, appearing to read "Joanne Richardson", with a stylized, cursive script.

Joanne Richardson