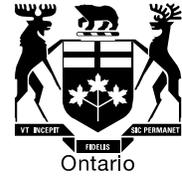


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VIA E-MAIL AND POSTING

February 11, 2016

**To: All Licensed Electricity Transmitters, Distributors, Retailers
Independent Electricity System Operator
All Licensed Unit Sub-Meter Providers**

**Re: Protecting Privacy of Personal Information and the Reliable Operation of the
Smart Grid in Ontario
OEB File No. EB-2016-0032**

As a sector, the ongoing protection of electricity consumers' interests is inherently of critical importance. The privacy and security of customer data has long been a priority of the Ontario Energy Board (OEB) and is a requirement in every distributor's license. Distributors are also required to address customer privacy and grid security issues in their rate applications.

The implementation of smart grids, and advanced technologies to be adopted in Ontario that rely on automation, data sharing, and dynamic connections enable new capabilities through the use of the internet, requires the OEB to take the next step with respect to privacy of personal information and the security of the distribution system. The OEB recognizes that it is essential that there be early identification, planning, and preparation for potential future cyber security risks to the privacy and security of customer data and to the reliable operation of the distribution system introduced by the increasingly connected grid.

The OEB is continuing to engage with industry to refine customer privacy and grid security expectations. Following the results of a survey carried out by the Smart Grid Advisory Committee, the Ontario Energy Board is establishing a Working Group to continue its review of cyber security of the non-bulk electrical grid and associated business systems in Ontario that could impact the protection of personal information and grid reliability. The

focus of the Working Group is to leverage the best practices currently implemented by licensees, and ensure alignment with emergent industry standards to establish a sector wide coherent framework for assessing and managing the associated security risks.

The OEB will work with key industry stakeholders via the Working Group and through this approach, establish a common framework referencing recognized industry standards, policy guidelines and auditing requirements; to further define the requirements for meeting their licensing obligations for system reliability and consumer privacy in a cost efficient manner.

Invitation to Participate

The OEB will be inviting participation for the initial phase, from the IESO and distributors with a strong background and interest of this subject. Participants will require security clearance and agree to confidentiality and disclosure requirements. The OEB will be contacting each stakeholder directly by March 10, 2016.

DATED at Toronto, February 11, 2016

ONTARIO ENERGY BOARD

Yours truly,

ORIGINAL SIGNED BY

Rosemarie T. Leclair
Chair and Chief Executive Officer