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Oded Hubert

Vice President
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BY COURIER

April 25, 2017

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON
M4P 1E4

Dear Ms. Walli,

EB-2016-0201 – Hydro One Networks Inc. RPP Roadmap Pricing Pilot

On July 18, 2016 the Ontario Energy Board (“OEB” or “Board”) issued its “Regulated Price Plan Roadmap: Guideline for Pilot Projects on RPP Pricing” inviting distributors to participate in developing and implementing pricing pilots identified by the OEB.

In response to the OEB’s request for proposals contained in the Guideline, Hydro One Networks Inc (“Hydro One”) submitted an application entitled “Hydro One RPP Roadmap Pilot” on August 19, 2016. The OEB released a Decision and Order under EB-2016-0201 on September 23, 2016, to extend Hydro One’s existing Smart Grid Fund Dynamic Energy Pricing (“SGF”) pilot until April 30, 2017 and approving a deferral account for costs associated with extending this existing pilot.

Hydro One submitted its proposed RPP Roadmap Pilot to the OEB on October 28, 2016, and based on further discussions with OEB staff on the contents of its proposed Pilot, Hydro One submitted an amended Pilot proposal (“the amended Pilot”) on March 31, 2017.

Hydro One received additional feedback from Board staff on its amended Pilot indicating that further changes would still be required, namely: 1) confining pricing proposals to the commodity portion of a customers’ bill; and 2) providing certainty about the specific rates offered as part of the amended Pilot before the Board can approve HONI’s amended pricing Pilot.

Hydro One is currently evaluating the feedback from Board staff, and in the meantime requests that the end date for the existing deferral account previously approved by the Board be extended from April 30, 2017 to July 31, 2017. This extension will allow Hydro One to continue to

maintain a positive customer experience with current SGF pilot participants by preventing a stop-and-go approach for existing participants, thereby avoiding some of the expensive future customer recruitment costs. Hydro One believes it can extend the existing SGF pilot participation without exceeding the \$1 million threshold for the deferral account that was previously approved by the Board.

Given that current SGF pilot participation is scheduled to terminate on April 30, 2017 **Hydro One plans to notify existing participants on April 28** about their interest in continued participation in the existing SGF pilot.

We look forward to working with the OEB to develop electricity rates that better serve customers and the needs of the electricity system in Ontario. Please do not hesitate to contact Sahar Mishriki, CDM Manager, at (416) 345-4324 or at sahar.mishriki@hydroone.com if you have any questions.

Sincerely,

ORIGINAL SIGNED BY HENRY ANDRE

Henry Andre on behalf of Oded Hubert