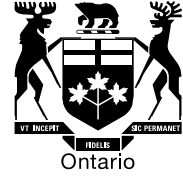


Ontario Energy Board
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**Commission de l'énergie
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VIA EMAIL

May 26, 2017

Evelyn Lundhild
Manager, Market Transformation
Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto ON M5H 1T1

Dear Ms. Lundhild:

**Re: Approval of London Hydro's Regulated Price Plan Pilot
(Board File No. EB-2016-0201)**

I make reference to the Ontario Energy Board's (OEB) letter to the Independent Electricity System Operator (IESO) dated May 26, 2017, identifying roles and responsibilities of the OEB and the IESO in relation to the implementation and funding of pilot projects relating to the OEB's Regulated Price Plan (RPP).

I am writing to advise that the OEB has approved an RPP pilot project proposed by London Hydro. A copy of the OEB's approval is attached to this letter. In accordance with the Minister of Energy's Direction to the IESO dated December 16, 2016, the IESO will provide, through its Conservation Fund, funding for London Hydro's RPP pilot project in such amounts as determined by the OEB.

Below is information about the pilot project, including the project milestones that will trigger payments by the IESO to London Hydro from the Conservation Fund. As each project milestone other than Contract Execution is reached, the OEB will provide the IESO with confirmation of same, together with the associated payment amount. The OEB will advise the IESO should there be a material change in the estimated maximum budget for, or the targeted date of completion of, London Hydro's RPP pilot project, together with any associated changes to the project milestones and payment schedule.

Distributor:	London Hydro		
Distributor Contact Information:	Zoran Stojanovic Program Manager 111 Horton Street, PO Box 2700 London ON, N6A 4H6 519-661-5800 x 6280 stojanoz@londonhydro.com		
Approved RPP Pilot Project(s) Name:	1. Quick Ramping CPP & Automation 2. Real Time Data Empowered Customer Experience		
Approved Estimated Maximum Budget:	\$2.371M		
Project Milestones & Payment Schedule:			
Milestone Number	Reporting Milestone	Target Completion Date	Contribution Amount
	Contract Execution	15 days from date of this letter	25% of approved estimated maximum budget
1.	Interim Results Report	June 1, 2018	50% of approved estimated maximum budget
2.	Final Results Report	April 1, 2019	Remaining payment of actual project cost or true up of any overpayment

The OEB expects that London Hydro and the IESO will use all reasonable efforts to execute the necessary contract within 15 days of the date of this letter. In accordance with the above payment schedule, the IESO will settle the appropriate payment amount with London Hydro upon contract execution.

Any questions related to this letter can be directed to RPP.Pilots@oeb.ca, citing "London Hydro" in the subject line.

Sincerely,

Original signed by

Mary Anne Aldred
General Counsel & Vice President, Legal Services & Strategic Policy
Ontario Energy Board

c. London Hydro