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**Commission de l'énergie
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VIA EMAIL AND WEB POSTING

December 27, 2017

Frank Kallonen
President and Board Chair
CustomerFirst Inc.
500 Regent Street
Sudbury ON, P3E 4P1

Dear Mr. Kallonen:

**Re: CustomerFirst Regulated Price Plan Pilot Application – Change in Budget
(Board File No. EB-2016-0201)**

On December 8, 2017, the Ontario Energy Board (OEB) notified CustomerFirst that the OEB had approved its proposed pilot, subject to certain reductions in the proposed budget.

On December 18, 2017, CustomerFirst provided the OEB with updated project documents adjusting the budget for the pilot. Although the revised budget reflects a reduction to the total amount of smart thermostat funds consistent with the OEB's December 8, 2017 letter, it also shows an increase in the project management budget of \$84,000 in order to fund travel for on-site inspections of smart thermostat installations and training of staff in the territories of its local utility partners.

The OEB recognizes that some travel is expected to be required in order to support the participation of customers in multiple service areas as proposed by CustomerFirst. Although the required frequency and duration of travel is uncertain at this time, the OEB believes that it is reasonable to approve a budget of \$50,000 for travel costs at this time. The OEB takes this opportunity to remind CustomerFirst that travel expenses will not be approved if they are inconsistent with the Ontario public sector Travel, Meal and Hospitality Expenses Directive.

The total maximum budget for CustomerFirst's pilot project is therefore approved at \$6,134,965. In-kind contributions from CustomerFirst and its partners remain valued at \$1,270,000.

As set out in the December 8, 2017 letter, the OEB expects CustomerFirst to deploy and run its RPP pilot on schedule and within its approved budget. Any scheduling or cost changes will need to be approved in advance by the OEB, and the need for such changes will need to be justified by CustomerFirst.

Any questions can be directed to RPP.Pilots@oeb.ca and should cite "CustomerFirst" in the subject line.

Sincerely,

Original signed by

Martine Band
Associate General Counsel, Legal Services & Strategic Policy
Ontario Energy Board