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**Commission de l'énergie
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VIA EMAIL

April 5, 2017

Cindy-Lynn Steele
VP, Market Solutions
Hydro One Networks Inc.
483 Bay St 6th Floor South Tower
Toronto ON, M5G 2P5

Dear Ms. Steele:

**Re: Hydro One (HONI) Regulated Price Plan Pilot Application
(Board File No. EB-2016-0201)**

In October 2017, the OEB approved HONI's RPP pilot application. This approval was based on obtaining a full calendar year's worth of results from in-field testing between June 2018 and June 2019. In December 2017, the OEB issued a letter to the IESO requesting that the IESO provide funding for Hydro One's RPP pilot. In this letter the OEB indicated its expectation that Hydro One and the IESO use all reasonable efforts to execute the necessary contract within 15 days of the date of the letter.

As of March 13, 2018, the parties had still failed to execute the contract, raising concerns that HONI would not be able to implement the RPP pilot in accordance with its approved schedule.

On March 22, 2018, at the OEB's request, HONI met with the OEB to provide information how it intended to implement its RPP pilot within the timelines approved. At this meeting HONI confirmed that the pilot could not be implemented during the approved dates and indicated a two-month delay in pilot initiation and a six-month delay in final results being available relative to the approved schedule. The revised timelines presented by HONI are significantly later than those approved for other approved RPP pilots.

The OEB recognizes that the HONI pilot offers the potential of providing additional research insights beyond the other RPP pilot projects approved to date and is therefore

willing to proceed with HONI's RPP pilot despite delays in the implementation of the pilot. The OEB expects to proceed on a schedule such that the interim results of HONI's pilot will, at a minimum, be available at the time that the final results of other projects are expected and can inform, as appropriate, conclusions being drawn about the efficacy of certain plans. Consistent with the vision in the OEB's RPP Roadmap of taking a staged approach and making incremental changes over time, HONI's final pilot results will be able to inform subsequent analysis to support consideration of further improvements to pricing design.

The OEB requests that Hydro One submit an updated project timeline within 10 days of the date of this letter. The OEB expects these timelines to be broadly consistent with the options presented by HONI at the March 22, 2018 meeting. Furthermore, the OEB expects that the IESO and Hydro One will have executed the required funding contract by April 30, 2018.

Sincerely,

Original signed by

Mary Anne Aldred
Chief Operating Officer and General Counsel