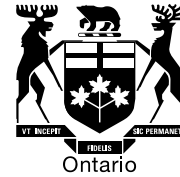


Ontario Energy Board
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VIA EMAIL

June 15, 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 Alectra Utilities' 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 Alectra Utilities. 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 Alectra Utilities' 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 Alectra Utilities 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 you should there be a material change in the estimated maximum budget for, or the targeted date of completion of, Alectra Utilities' RPP pilot project, together with any associated changes to the project milestones and payment schedule.

Distributor:	Alectra Utilities		
Distributor Contact Information:	Daniel Carr Manager, Smart Grid Projects 161 Cityview Blvd, Vaughan, ON L4H 0A9 905-532-4570 Daniel.Carr@AlectraSolutions.com		
Approved RPP Pilot Project Name:	Next Generation RPP Rate Design for Ontario Consumers		
Approved Estimated Maximum Budget:	\$9.467M		
Project Milestones & Payment Schedule:			
Milestone Number	Reporting Milestone	Target Completion Date	Contribution Amount
	Contract Execution	15 days from date of this letter	\$2,177,410.00
1.	Interim Results Report	June 30, 2018	\$4,165,480.00
2.	Final Results Report	January 31, 2019	Remaining payment of actual project cost or true up of any overpayment

The OEB expects that Alectra Utilities 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 Alectra Utilities upon contract execution.

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

Sincerely,

Original signed by

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

c. Alectra Utilities