Ontario Energy Board P.O. Box 2319 27<sup>th</sup> Floor 2300 Yonge Street Toronto ON M4P 1E4 Telephone: 416-481-1967 Facsimile: 416-440-7656 Toll free: 1-888-632-6273 Commission de l'énergie de l'Ontario C.P. 2319 27° étage 2300, rue Yonge Toronto ON M4P 1E4 Téléphone: 416-481-1967 Télécopieur: 416-440-7656 Numéro sans frais: 1-888-632-6273



## VIA EMAIL AND WEB POSTING

July 12, 2017

Dennis Nolan Corporate Secretary and Executive Vice President Alectra Utilities 161 Cityview Blvd Vaughan ON L4H 0A9

Dear Mr. Nolan:

## Re: Alectra Utilities Regulated Price Plan Pilot – Change in Scope (Board File No. EB-2016-0201)

In July 2016, the Ontario Energy Board (OEB) invited electricity distributors to submit applications to conduct pilots to test price and non-price programs, as part of its Regulated Price Plan (RPP) Roadmap. On April 25, 2017, the OEB approved Alectra Utilities' proposed pilot, subject to certain conditions.

On June 30, 2017, Alectra Utilities filed a letter requesting approval to change the scope of one of the pricing approaches to be tested as part of its RPP pilot project. Alectra Utilities states it is no longer beneficial for the enhanced TOU with low overnight off-peak rates for electric vehicle owners to include a quick-ramping critical peak pricing (CPP) element, as originally approved. Alectra Utilities states:

"...due to the nature of the expected composition of this pricing group, which will likely include non-EV owners; and the difficulty in assigning a price to a subhourly period, Alectra Utilities believes that it is no longer beneficial to include this area of scope in the project."

Alectra Utilities notes that, should the proposed change in scope be approved, the budget for the project should be reduced by \$175,000.00 to reflect reduced costs.

The OEB has considered the request and is satisfied that Alectra Utilities' proposal to remove the CPP element of the enhanced TOU with low overnight off-peak price plan does not impair the pilot's consistency with the requirements laid out in the *Regulated Price Plan Roadmap: Guideline for Pilot Projects on RPP Pricing* (RPP Guideline). The scope of the change is small and the overall objective of the pilot price plan – to evaluate the effectiveness of a reduced overnight rate – remains achievable. Even with a revised scope for one of the three price plans Alectra Utilities will be testing, the project will continue to support the OEB's efforts in determining price alternatives that can complement the ongoing review of the RPP. In accordance with this change in scope the total maximum budget for Alectra Utilities' pilot project will be adjusted to: \$9,292,000.00.

Any questions can be directed to <u>RPP.Pilots@oeb.ca</u> and should cite "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. Neetika Sathe Director, Advanced Planning, Alectra Utilities

> Evelyn Lundhild Manager, Market Transformation, Independent Electricity System Operator