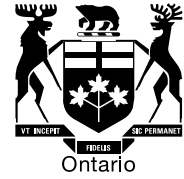


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VIA EMAIL

January 31, 2018

Nik Schruder
Acting Director, Conservation Performance and Innovation
Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto ON M5H 1T1

Dear Mr. Schruder:

**Re: Approval of CustomerFirst'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 CustomerFirst. CustomerFirst's RPP pilot project is being deployed in the service territories of the following 6 distributors: Newmarket-Tay Power Distribution Ltd., Greater Sudbury Hydro Inc., North Bay Hydro Distribution Ltd., PUC Distribution Inc., Espanola Regional Hydro Distribution Corporation, Northern Ontario Wires Inc. 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 this 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 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, CustomerFirst’s RPP pilot project, together with any associated changes to the project milestones and payment schedule.

Distributor(s):	<ol style="list-style-type: none"> 1. Newmarket-Tay Power Distribution Ltd. 2. Greater Sudbury Hydro Inc. 3. North Bay Hydro Distribution Ltd. 4. PUC Distribution Inc. 5. Espanola Regional Hydro Distribution Corporation 6. Northern Ontario Wires Inc. 		
Contact Information:	<p>Chris Barker President, CustomerFirst 3080 Yonge Street, Suite 6060 Toronto, ON M4N 3N1 (647) 255-8845 chris.barker@customerfirstinc.com</p>		
Approved RPP Pilot Project(s) Name:	CustomerFirst RPP Pilot Program		
Approved Estimated Maximum Budget:	\$4,864,965		
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	February 28, 2019	50% of approved estimated maximum budget
2.	Final Results Report	September 30, 2019	Remaining payment of actual project cost or true up of any overpayment

I understand that contract execution and on-going settlement in relation to the CustomerFirst pilot project would be facilitated and expedited if the IESO's contract counterparty were to be one of the six participating distributors that comprise the CustomerFirst collaboration. Newmarket-Tay Distribution Ltd. has been designated by CustomerFirst for that purpose. Contact information for Newmarket-Tay is as follows:

Paul Ferguson
President, Newmarket - Tay Power Distribution Ltd.
590 Steven Ct,
Newmarket, ON L3Y 6Z2
(905) 895-2309
pferguson@nmhydro.ca

The OEB expects that Newmarket-Tay Power Distribution Ltd., 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 Newmarket-Tay Power Distribution Ltd. upon contract execution.

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

Sincerely,

Original signed by

Mary Anne Aldred
Chief Operating Officer & General Counsel
Ontario Energy Board

c. CustomerFirst