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BY E-MAIL

February 16, 2018

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Hydro One Networks Inc.
2018-2022 Distribution Rates
Ontario Energy Board File Number EB-2017-0049**

In accordance with Procedural Order No. 3, please find below a summary of the expert evidence that OEB staff plans to file in the EB-2017-0049 proceeding.

OEB staff will be retaining Pacific Economics Group Research LLC (PEG) to provide one or more reports presenting PEG's review of the evidence prepared by Power Systems Engineering (PSE) for Hydro One Networks Inc. (Hydro One) on Hydro One's cost performance and productivity trends for Hydro One and the Ontario power distribution industry.

PEG's analyses will include a detailed review of PSE's reports and working papers, and may include new analyses on Hydro One's cost performance and productivity trends.

PEG's report may also touch on some of the more detailed cost benchmarking work included in Hydro One's application. The expert will assess key aspects of Hydro One's proposed Custom IR plan and provide commentary in the report, discussing salient alternatives, and precedents from other jurisdictions, where relevant.

In addition, PEG staff will prepare interrogatory responses and will attend any technical conference or the hearings as necessary.

Yours truly,

Original signed by

Harold Thiessen
Ontario Energy Board staff
Case Manager, EB-2017-0049

cc: All parties, EB-2017-0049