

**Ontario Energy
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BY EMAIL

February 4, 2019

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Hydro One Sault Ste. Marie LP
2019 Electricity Transmission Rate Application
Expert Evidence of Pacific Economics Group Research LLC
OEB File No. EB-2018-0218**

In accordance with the Decision on Confidentiality and Procedural Order No. 3 issued by the Ontario Energy Board (OEB) on December 14, 2018, please find enclosed the report prepared by Pacific Economics Group Research LLC entitled "*Empirical Research for Incentive Regulation of Transmission.*" The report was prepared at the request of OEB staff and is being filed for the purpose of assisting the OEB in the current proceeding. The report is marked as Exhibit M1.

A copy of the author's *curriculum vitae* and signed Acknowledgement of Expert's Duty form is also enclosed, in accordance with Rule 13A of the OEB's *Rules of Practice and Procedure*.

Hydro One Sault Ste. Marie LP and all intervenors have been copied on this filing.

Yours truly,

Original signed by

Fiona O'Connell
Project Advisor, Major Applications

cc: Hydro One Sault Ste. Marie LP
All registered parties to EB-2018-0218

att.