

Ministry of Energy

Office of the Minister

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Mr. Mayo Schmidt
President and CEO
Hydro One
483 Bay Street
8th Floor, South Tower
Toronto ON M5G 2P5

Dear Mr. Schmidt:

I am appreciative of the efforts of Hydro One in implementing the initiatives announced in the 2016 Speech from the Throne, as well as your input in developing Ontario's Fair Hydro Plan, including the Affordability Fund.

An important component of the 2016 Speech from the Throne was the expansion of the Rural or Remote Rate Protection (RRRP) program. I understand that in the process of providing expanded RRRP, Hydro One has incurred a variance between the amount of RRRP benefit provided to its customers in 2016 and the amount of funding collected through the RRRP regulatory charge. Hydro One is seeking permission from the Ontario Energy Board to recover this variance in future settlements of the RRRP account.

Hydro One has been an effective delivery agent of the Ministry's rate mitigation initiatives, and I am appreciative of the efforts made by Hydro One to ensure its customers benefit from increased rate relief in a timely manner. I believe that Hydro One has provided the increased RRRP benefit to its customers in a manner consistent with the government's policy intent.

Thank you again for your efforts, and I look forward to working with you to implement Ontario's Fair Hydro Plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Thibeault", with a long horizontal line extending to the right.

Glenn Thibeault
Minister

c: Mike Vels, Chief Financial Officer, Hydro One