



EB-2007-0750

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF an application by the
Independent Electricity System Operator for the
Smart Metering Entity licence.

BEFORE: Pamela Nowina
Presiding Member and Vice-Chair

Paul Vlahos
Member

DECISION AND ORDER

Background

The Independent Electricity System Operator (the “IESO” or the “Applicant”) was designated as the Smart Metering Entity (“SME”) by Ontario Regulation 393/07 made under the *Electricity Act, 1998*. Section 57 of the *Ontario Energy Board Act, 1998* (the “Act”) requires the SME to be licensed to exercise its powers or perform its duties under the *Electricity Act, 1998*.

The IESO filed an application on September 4, 2007 with the Ontario Energy Board (the “Board”) under section 60 of the Act for the SME licence. The Applicant requested that the SME licence be issued on or before September 14, 2007 as this was the date it intended to begin the initial cutover to production operations. The Board assigned file number EB-2007-0750 to the application.

Section 5.4.1 of the Distribution System Code requires electricity distributors to enter into an agreement with the SME (the “Agreement”) upon being requested to do so, in a form approved by the Board.

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In its September 4, 2007 application for the SME licence, the Applicant stated that the Agreement was under development and was likely to be submitted to the Board by the end of September 2007.

On September 14, 2007, the Board issued its Notice of Application and an interim order granting the IESO a temporary SME licence. The temporary SME licence was set to terminate on January 31, 2008 or the date of the Board's final decision on the SME Licence application, whichever was earlier. Furthermore, the Board decided and advised all parties in the proceeding that it would take no further action in the proceeding until the SME filed the Agreement with the Board.

To allow the Applicant to continue exercising the SME's powers and/or performing the SME's duties while spending time on stakeholder consultation regarding the development of the Agreement, the Board extended the term of the temporary SME licence three times since its issuance. The current term of the temporary SME licence is set to expire on March 31, 2009.

By letter dated March 3, 2009, the IESO applied to the Board for a further extension of the term of its temporary SME licence; specifically, until the earlier of September 30, 2009 or the Board's final decision on the SME licence application. The IESO states that the Electricity Distributors Association (the "EDA") met with the Ministry of Energy and Infrastructure staff to develop an SME governance model that would provide a more prominent role to the electricity distributors. The Applicant further states that, in December 2008, it met with the EDA to discuss preparations necessary for the transition of the SME to a new governance structure and that both entities established a series of orientation sessions for certain distributor representatives in preparation for their role in the transition process. The Applicant submits that given the anticipated transition to a new governance structure for the SME, the IESO is not yet in a position to file the Agreement for the Board's review as part of its licence application.

The Applicant submits that no other person will be adversely affected in a material way by the extension of its temporary SME licence and requested that the Board issue the extension without a hearing.

Board Findings

The Board understands that due to the recent developments respecting the governance structure for the SME, the Applicant may not be in a position to file the Agreement with the Board at this time. The Board also recognizes that the temporary SME licence will expire prior to the final determination of the SME licence application and that the Applicant will require an extension to its temporary SME licence to continue exercising the SME's powers or performing the SME's duties. Therefore, the Board finds that it is in the public interest to extend the term of the temporary SME Licence.

The Board has determined that no other person will be adversely affected in a material way by the issuance of this interim order. Accordingly, the Board has decided to issue the interim order without a hearing.

IT IS THEREFORE ORDERED THAT:

The term of the temporary SME Licence (ES-2007-0750) is extended until September 30, 2009 or the date on which the Board makes a final determination in proceeding EB-2007-0750, whichever is earlier.

DATED at Toronto, March 24, 2009

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary