



**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



# Smart Metering Entity Licence

## ES-2007-0750

*Original signed by*

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**Kirsten Walli**

**Board Secretary**

**Ontario Energy Board**

**Date of Extension: March 24, 2009**

**Date of Extension: September 23, 2008**

**Date of Extension: May 26, 2008**

**Date of Extension: January 28, 2008**

**Date of Issuance: September 14, 2007**

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## 1 Definitions

### 1.1 In this Licence:

"**Act**" means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

"**Board**" means the Ontario Energy Board;

"**Electricity Act**" means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

"**IESO**" means the Independent Electricity System Operator;

"**IESO-controlled grid**" means the transmission systems with respect to which, pursuant to agreements, the IESO has the authority to direct operations;

"**Licensee**" means the Smart Metering Entity;

"**Market Rules**" means the rules made under section 32 of the Electricity Act;

"**Rate Order**" means an order or orders of the Board establishing rates the Licensee is permitted to charge;

"**Regulations**" means regulations made under the Act or the Electricity Act; and

"**Smart Metering Entity**" means the smart metering entity established under Part IV.2 of the Electricity Act, or more specifically, the IESO as prescribed by Ontario Regulation 393/07.

## 2 Interpretation

- 2.1 In this Licence, words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of the Licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this Licence, where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens and where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

## 3 Authorization

- 3.1 The Licensee is authorized, under Part V of the Act, to exercise its powers and perform its duties under the Act or under the Electricity Act subject to the terms and conditions set out in this Licence.
- 3.2 The Licensee is authorized to require licensed distributors to enter into an agreement with the Licensee. The agreement shall set out the respective roles and responsibilities of the distributor and the Licensee in relation to metering and the information required to be exchanged to allow for the conduct of these respective roles and responsibilities. The agreement must be approved by the Board before the Licensee can require licensed distributors to sign the agreement.

**4 Obligation to Comply with Legislation, Regulations and Market Rules**

- 4.1 The Licensee shall comply with all applicable provisions of the Act, the Electricity Act, and the Regulations.
- 4.2 The Licensee shall comply with all applicable Market Rules.

**5 Rates**

- 5.1 The Licensee shall not charge for meeting its obligations under the Act or under the Electricity Act except in accordance with a Rate Order of the Board, or as permitted by law.

**6 Non-Discriminatory Access**

- 6.1 The Licensee shall provide and promote non-discriminatory access by distributors, retailers, the Ontario Power Authority, and other persons to the Licensee's:

- (a) information and data related to the metering of consumers' consumption or use of electricity in Ontario, including data collected from distributors; and
- (b) telecommunication system that permits the Licensee to transfer data about the consumption or use of electricity to and from its databases, including access to its telecommunication equipment, systems and technology and associated equipment, systems and technologies,

in accordance with the terms of this licence.

**7 Separation of Business Activities and Accounting**

- 7.1 The Licensee shall keep its financial records associated with the smart metering initiative separate from the IESO's financial records associated with the IESO-controlled grid and the IESO-administered markets or other activities related to the Market Rules, unless otherwise required or authorized by the Board.
- 7.2 The Licensee shall maintain proper books of account and adhere to generally accepted accounting practices, and shall maintain such financial records or accounts as the Board may require. The Licensee shall notify the Board of any material change to its accounting procedures.

**8 Provision of Information to the Board**

- 8.1 The Licensee shall provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 8.2 Without limiting the generality of paragraph 8.1, the Licensee shall:
- (a) provide such information as the Board may require from time to time to enable the Board to monitor the Licensee's compliance with the conditions of this Licence and any other legislative or regulatory requirements set out in this Licence;
  - (b) notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the Licensee's ability to comply with this Licence, its financial integrity, or its ability to carry out its responsibilities under the Act or the Electricity Act, as soon as practicable after the occurrence of any such change, but in any event within fifteen days of the date upon which such change becomes known to the Licensee; and

- (c) provide the Board with a description of any processes established by the Licensee under section 53.14 of the Electricity Act and any changes to such processes.

## **9 Restrictions on Provision of Information**

- 9.1 The Licensee shall not use information regarding a distributor, consumer, retailer, or any other person obtained for one purpose for any other purpose without the written consent of the consumer, retailer, or other person.
- 9.2 The Licensee shall not disclose information regarding a distributor, consumer, retailer, or any other person to any other party without the written consent of the distributor, consumer, retailer, or other person, except where such information is required to be disclosed:
  - (a) to comply with any legislative or regulatory requirements, including the conditions of this Licence;
  - (b) for billing, settlement or market operations purposes; or
  - (c) for law enforcement purposes.
- 9.3 The Licensee may disclose information regarding distributors, consumers, retailers, or any other person where the information has been sufficiently aggregated such that the distributors', consumers', retailers', or other person's particular information cannot reasonably be identified.
- 9.4 The Licensee shall inform distributors, consumers, retailers, and any other person of the conditions under which their information may be released to a third party without their consent.
- 9.5 If the Licensee discloses information under this section, the Licensee shall ensure that the information provided will not be used for any other purpose except the purpose for which it was disclosed.

## **10 Term of Licence**

- 10.1 In accordance with the Board's Interim Decision and Order dated March 24, 2009, this Licence terminates on either September 30, 2009 or the date on which the Board makes a final determination in proceeding EB-2007-0750, whichever is earlier.

## **11 Fees and Assessments**

- 11.1 The Licensee shall pay all fees charged to it by the Board and all amounts assessed to it by the Board.

## **12 Communication**

- 12.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.
- 12.2 All official communication relating to this Licence shall be in writing.
- 12.3 All written communication is to be regarded as having been given by the sender and received by the addressee:
  - (a) when delivered in person to the addressee by hand, by registered mail or by courier;

- (b) ten (10) business days after the date of posting if the communication is sent by regular mail; and
- (c) when received by facsimile or electronic transmission by the addressee, according to the sender's transmission report.

### **13 Copies of the Licence**

13.1 The Licensee shall:

- (a) make a copy of this Licence available for inspection by members of the public at the Licensee's head office during normal business hours; and
- (b) provide a copy of this Licence to any person who requests it.

13.2 The Licensee may impose a fair and reasonable charge for the cost of providing the copies referred to in section 13.1(b).

### **14 Dispute Resolution**

14.1 The Licensee shall:

- (a) have a process for resolving disputes with distributors, consumers, retailers, and any other person that deals with disputes in a fair, reasonable and timely manner;
- (b) publish information which will make distributors, consumers, retailers, and any other person aware of, and help them to use, the dispute resolution process;
- (c) make a copy of the dispute resolution process available for inspection at the Licensee's head office during normal business hours; and
- (d) give or send, free of charge, a copy of the process to any person who reasonably requests it.