



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: Paul Vlahos
Presiding 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.

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 has extended the term of the temporary SME licence five times since its issuance. The current term of the temporary SME licence is set to expire on March 31, 2010.

By letter dated March 16, 2010, the IESO applied to the Board for a further extension of the term of its temporary SME licence; specifically, until the earlier of June 30, 2010 or the Board's final decision on the SME licence application. In its letter, among other things, the IESO stated that over the past six months, the IESO has continued its consultations with electricity distributors under the auspices of the Electricity Distributors Association to address various issues including governance and the contents of the Agreement.

Board Findings

It is clear that the Applicant is not in a position to file the Agreement with the Board at this time. Unless its temporary licence is extended, the Applicant cannot continue to exercise the SME's powers or performing the SME's duties. The Board will therefore grant an extension. The Board notes that the Applicant is seeking an order of the Board to extend the term of the temporary SME Licence to June 30, 2010. Considering that the date for filing the Agreement is unknown at this time and considering the time required to process the SME licence application in accordance with the Board's established practice and procedures once the Agreement is filed, the Board finds that it is in the public interest to extend the term of the temporary SME Licence to September 30, 2010 or the date on which the Board makes a final determination in proceeding EB-2007-0750, whichever is earlier.

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.

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IT IS THEREFORE ORDERED THAT:

The term of the temporary SME Licence (ES-2007-0750) is extended to September 30, 2010 or the date on which the Board makes a final determination in proceeding EB-2007-0750, whichever is earlier.

DATED at Toronto, March 29, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary