



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: Ken Quesnelle, Presiding Member

Karen Taylor, 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 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 six times since its issuance. The current term of the temporary SME licence is set to expire on September 30, 2010.

By letter dated September 24, 2010, the IESO applied to the Board for a further extension of the term of its temporary SME licence; specifically, until the earlier of December 31, 2011 or the Board's final decision on the SME licence application.

The Applicant states that it is part of an industry working group that is developing a solution to address concerns expressed by Measurement Canada related to the reconciliation of smart metering data which may require changes to the MDM/R. The Applicant further states that it continues to enrol electricity distributors in the MDM/R in accordance with the provincial government's expectation that 3.6 million Regulated Price Plan consumers will be receiving Time-of-Use pricing by June 2011. The Applicant submits that spending time on the above tasks will allow for a more efficient review of the SME license application and the Agreement before the Board.

Board Findings

The Applicant has asked for an extension to the term of the temporary SME licence to December 31, 2011. However, the Board does not believe that the Applicant has demonstrated the need for the requested term of the extension. The Board does recognize that the Applicant cannot continue to exercise the SME's powers or perform the SME's duties unless the term of the temporary licence is extended. The Board will therefore grant an extension to the term of the temporary SME licence until March 31,

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2011 or the date on which the Board makes a final determination in proceeding EB-2007-0750, whichever is earlier.

The Board believes that it is not in the public interest to further delay hearing the matter of the granting of a permanent licence. The Board will therefore issue a procedural order setting out next steps in this proceeding shortly.

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 to March 31, 2011 or the date on which the Board makes a final determination in proceeding EB-2007-0750, whichever is earlier.

DATED at Toronto, September 29, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary