



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.

PROCEDURAL ORDER NO. 1

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 in the SME licence application, whichever was earlier.

The following parties requested and were granted intervenor status in this proceeding: Ontario Energy Savings L.P. (now, Just Energy Ontario L.P.), Hydro One Networks Inc., Coalition of Large Distributors, Electricity Distributors Association and Direct Energy Marketing Limited. An intervenor list is attached as Appendix A to this procedural order.

In order to have a more efficient review of the licence application, the Board had decided not to proceed with the licence application until the SME filed the Agreement with the Board. To that end, the Board has been extending the term of the temporary SME licence to allow the IESO to spend time on the development of the Agreement and address governance issues.

On September 24, 2010, the IESO requested a further extension to the term of the temporary licence until the earlier of December 31, 2011 or the Board's final decision on the SME licence application. This request provided limited details on why a further extension was required.

On September 29, 2010, by way of an interim decision and order, the Board granted an extension to the term of the temporary SME licence until March 31, 2011 or the date of the Board's final decision in the SME licence application, whichever is earlier. In that interim decision and order, the Board stated that it did not believe that the Applicant had demonstrated the need for the requested term of the extension. The Board further stated that it would set next steps in the proceeding by procedural order.

The Board considers it necessary to make provisions for the following matters related to this proceeding. The Board may issue further procedural orders from time to time.

IT IS THEREFORE ORDERED THAT:

1. The IESO shall file the Agreement and any other additional evidence pertaining to the SME licence, with the Board and serve it on all intervenors in this proceeding on or before **November 30, 2010**.
2. If the Applicant is unable to file the Agreement and any other additional evidence pertaining to the SME licence application with the Board in accordance with item 1 above, the Applicant shall make a written submission providing a detailed rationale for its inability to file such information. The Applicant shall include in its written

submission any other reasons for why the proceeding should not move forward at this time as well as an update regarding the status of the Agreement. The Applicant shall file its submission with the Board and serve it on all intervenors in this proceeding on or before **November 30, 2010**.

3. Any filings to the Board must quote file number EB-2007-0750, be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.oeb.gov.on.ca. If the web portal is not available you may email your document to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.
4. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

ADDRESS OF THE BOARD

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Attention: Board Secretary

Tel: 1-877-632-2727 (toll free)
Fax: 416-440-7656
E-mail: Boardsec@oeb.gov.on.ca

ISSUED at Toronto, November 15, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

**Appendix A to
Procedural Order No. 1
DATED: November 15, 2010
Independent Electricity System Operator
Smart Metering Entity Licence
EB-2007-0750**

APPLICANT & LIST OF INTERVENORS

APPLICANT

Rep. and Address for Service

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Operator**

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INTERVENORS

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Coalition of Large Distributors
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Ric Forster

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Electricity Distributors Association

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Just Energy Ontario L.P.

Gord Potter

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**Toronto Hydro-Electric System
Limited**

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