



June 12, 2012

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

Re: Smart Metering Charge Application (EB-2012-0100 & EB-2012-0211)
AMPCO Response to IESO Letter dated June 11, 2012

Dear Ms. Walli:

I am writing in response to the IESO's letter dated June 11, 2012 regarding AMPCO's Letter of Intervention and interest in the above proceeding.

AMPCO filed a letter with the Ontario Energy Board on May 28, 2012 requesting intervenor status and cost award eligibility in the above proceeding. The letter indicates AMPCO's interests relate generally to the interests of consumers with respect to price, adequacy, reliability and quality of electricity service, and, more particularly, to how costs are allocated to, and rates are designed to recover costs from, industrial customers. With respect to the current application, AMPCO is interested in the determination of the overall level of smart meter charges and the way the charge will be recovered from customers.

The IESO's letter states:

"AMPCO's constituents are large industrial consumers which are directly connected to the IESO controlled grid and pay the wholesale market price. AMPCO's constituents are not distribution connected customers and are therefore not exposed to the Smart Meter Charge. Further, while AMPCO may take an interest in the activities and expenditures of the IESO, the SME is a separate entity whose costs are kept separate and distinct from those of the IESO.

The IESO has been advised by AMPCO that it has interests related to these proceedings, however the IESO believes AMPCO's interests are outside of the scope of these proceedings. The IESO submits that AMPCO's interests may be more appropriately addressed in a different venue with interested parties."

Firstly, I wish to point out that the IESO's letter contains an error of fact. Some AMPCO members (greater than 1 MW) are distribution connected customers.

AMPCO understands that the IESO, in its capacity as the SME has applied to the Board for approval of a SMC of \$0.806 per Residential and General Service <50kW Customer per month (EB-2012-0100) which the IESO proposes to collect from all licensed electricity distributors for the period July 1, 2012 to December 31, 2017. The SME's application proposes that once the amount of the SMC is determined, it be spread over the total number of smart meters expected to be deployed in recognition that the MDM/R provides a service that will benefit all end-use smart meter customers across Ontario and helps meet the province's conservation goals.

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The Board determined that it will commence a proceeding on its own motion to review the options for and ultimately determine the appropriate allocation and recovery of the SMC (EB-2012-0211). The Board intends to make a determination of the most appropriate methodology for the allocation and recovery of the SMC and therefore intends to order one or more parties to file evidence once it has determined the scope of the possible allocation and recovery methodologies. The Board decided to combine the hearing of the SME application for the SMC with the Board's proceeding on its own motion to determine the appropriate recovery and allocation of the SMC.¹

The Board's Notice of Application dated May 18, 2012 states on page 2, "The Board's decision in both EB-2012-0100 and EB-2012-0211 may have an effect on all ratepayers of the Province."

AMPCO is interested in the recovery methodologies and potential impact on industrial customers. As such, AMPCO believes its interests are within the scope of these proceedings.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely yours,

(ORIGINAL SIGNED BY)

Adam White
President
Association of Major Power Consumers in Ontario

Copy to: Independent Electricity System Operator
Mr. Brian Rivard

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NOTICE OF APPLICATION BY THE SMART METERING ENTITY FOR APPROVAL OF A SMART METERING CHARGE (EB-2012-0100) &
NOTICE OF PROCEEDING TO DETERMINE THE APPROPRIATE RECOVERY AND ALLOCATION OF THE SMART METERING CHARGE (EB-2012-0211), dated May 18, 2012