

PETER C.P. THOMPSON, Q.C.
T 613.787.3528
pthompson@blg.com

Borden Ladner Gervais LLP
World Exchange Plaza
100 Queen St, Suite 1100
Ottawa, ON, Canada K1P 1J9
T 613.237.5160
F 613.230.8842
F 613.787.3558 (IP)
blg.com



By electronic filing

July 4, 2012

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto, ON M4P 1E4

Dear Ms Walli,

**Independent Electricity System Operator (“IESO”)
Application for Approval of a Smart Metering Charge (“SMC”)
Determination of Appropriate Allocation and Recovery of SMC
Board File Nos.: EB-2012-0100/EB-2012-0211
Our File No.: 339583-000141**

We are writing on behalf of Canadian Manufacturers & Exporters (“CME”) to provide submissions with respect to the Preliminary Issue framed by the Board in Procedural Order No. 1 dated June 22, 2012.

We have reviewed the June 29, 2012 submissions of Board Staff and the letter submissions of counsel for Vulnerable Energy Consumers Coalition (“VECC”) circulated earlier today. We agree with the substance of those submissions.

The prior approval the Board is mandated to grant is with respect to an agreement that sets out the following:

1. The respective roles and responsibilities of the distributor and the Smart Meter Entity (“SME”) in relation to metering; and
2. The information required to be exchanged to allow for the conduct of those respective roles and responsibilities.

In our view, the Board’s prior approval mandate extends to all provisions in the proposed agreement that can reasonably be regarded as related to “roles and responsibilities” of each of the parties and the “exchange of information” needed to accommodate the performance by the parties of their respective roles and responsibilities.

We agree with the submissions of Board Staff and VECC that, when determining the appropriateness of provisions of a proposed agreement related to “roles and responsibilities” and “information exchange”, the Board should be mindful of its role in assuring that the costs to be recovered from ratepayers are reasonable.

We also agree that in carrying out its “prior approval” mandate, the Board must, of necessity, examine the whole of the proposed agreement. That said, any particular provisions of the proposed agreement that, in the Board’s view, are clearly not related to “roles and responsibilities” or “information exchange” should be appropriately flagged as provisions falling outside the ambit of the Board’s prior approval jurisdiction. Such provisions could be excised from the Board approved agreement and reflected in a separate unapproved attachment.

Conversely, any provisions of the proposed contractual relationship between the SME and distributors that are clearly related to “roles and responsibilities” and “information exchange” should be expressed within the ambit of the approved document and not be included in any unapproved attachments thereto.

We hope that these brief submissions will assist the Board in its consideration of the Preliminary Issue.

We respectfully request an award of our reasonably incurred costs for participating in this Preliminary Issue process.

Yours very truly,



Peter C.P. Thompson, Q.C.

PCT\slc

c. Brian Rivard (IESO)
Intervenors EB-2012-0100 and EB-2012-0211
Paul Clipsham (CME)

OTT01\5158933\v1