***PUBLIC INTEREST ADVOCACY CENTRE***

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Michael Janigan

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Counsel for VECC

613-562-4002

October 10, 2012

 **VIA MAIL and E-MAIL**

Ms. Kirsten Walli

Board Secretary

Ontario Energy Board

P.O. Box 2319

2300 Yonge St.

Toronto, ON

M4P 1E4

Dear Ms. Walli:

**Re: Independent Electricity System Operator (“IESO”), in its capacity as**

**Smart Metering Entity (“SME”)**

**Determination of Smart Metering Charge (“SMC”)**

**Board File No. EB-2012-0100**

**Determination of Appropriate Allocation and Recovery of SMC**

**Board File No. EB-2012-0211**

As requested in Procedural Order #4 for the above combined proceeding, I am writing to provide VECC’s comments regarding the Draft Issues List. VECC has no comments on Issues 1.1, 1.2, 1.3, 1.4 and 1.6. However VECC has concerns regarding Issue 5.1.

In VECC’s view the scope of Issue 5.1 (as defined by the proposed sub-issues) is too narrow. While part (a) addresses the SME’s proposal to derive the charges based on average of the actual and proposed costs for the period 2006-2017, the proposed issue list does not address the SME’s proposal to recover the costs on a “per customer basis” nor does it address issues related to the “customers” the SME proposes to include in its billing determinant as set out in Exhibit C, Tabs 2 and 3. These issues would include: i) the SME’s proposal to use all Residential and GS<50 customers as the billing determinant, regardless of whether they have (or will ever have) a smart meter, ii) whether there is a need to address the fact that some distributors have also installed smart meters for customers in the GS>50 class and ii) the SME’s proposal to use the customer count from the 2010 Yearbook of Electricity Distributors times the number of billing periods in the initial rate derivation.

To address this, VECC submits that Issue 5.1 should be re-titled – “Proposed Rate Structure and Automatic Rate Adjustment”. Also, the following additional sub-issue should be added:

* Is the SME’s proposed rate structure, including the definition of customer, appropriate?

Yours truly,

Michael Janigan

Counsel for VECC

cc IESO

 Intervenors