



ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION

**Application by the Smart Metering Entity for Approval of a Smart
Metering Charge and Proceeding to Determine the Appropriate
Recovery and Allocation of the Smart Metering Charge**

Board File Nos. EB-2012-0100/EB-2012-0211

February 6, 2013

BACKGROUND

In the Decision on Agreement, Terms of Service, Confidentiality and Procedural Order No. 7 that was issued on January 17, 2013 ("Decision and Procedural Order No. 7"), the Board ordered the SME and the EDA to file a new proposed Agreement reflecting the Board's findings, and provided Board staff and interested parties with the opportunity to comment. The following are Board staff's comments on the revised proposed Agreement.

BOARD STAFF SUBMISSION

The SME filed the following revision to section 7.6.3:

Subject to the approval of the OEB...The SME shall apply to the OEB to clear the approved variance account on the earlier of (i) the date on which the balance in the variance account meets or exceeds \$2 million, or (ii) January 26, 2016. As part of its application, the SME will ask the Board to approve the allocation of service level credits amongst MDM/R service recipients as determined by the SME Steering Committee.

Board staff notes that the revision to section 7.6.3 includes a process for disbursement of service credits which does not reflect the Board's findings below:

The Board notes that there has been no opportunity for parties to comment on the SME and EDA proposal for the disbursements of service credits. However, the Board is satisfied that the proposal addresses the issue raised by SEC regarding the SME's lack of authority to set rates. The Board will not provide its findings at this time on the acceptability of the disbursement proposal. The Board has provided for a settlement conference in the Order which forms part of this Decision and Order. The Board expects the parties to include the proposed disbursement process as well as the appropriate treatment of the \$1.7 million in service credits to date incorporated in the proposed SMC in the settlement deliberations. The Board will establish a process to deal with any unsettled issues as needed.

Board staff suggests that the inclusion of a process to dispose of the service level credits, even though it is subject to OEB approval, would appear to pre-suppose the results of the process set out by the Board which has yet to take place. Board staff submits that in order to comply with the Board's Decision and Procedural Order No. 7, the detail should be removed from the revised Agreement altogether or marked as a placeholder for the determination of the Board regarding the disposition of the service level credits. Board staff suggests that the Board could consider approving the remainder of the Agreement as revised, with the understanding that the approved wording could be included at a later date; or the Board could withhold approval of the Agreement in its entirety until the final process for disposition of service level credits has been approved.

The Board's Decision and Procedural Order No. 7, stated the following:

...the Board finds that the Steering Committee's mandate forms part of the definition of the roles and responsibilities of the distributors in relation to metering and the information required to be exchanged to allow for the conduct of these roles and responsibilities.

In the proposed new agreement, the SME included the revised mandate of the Steering Committee in Article 3 (Terms of Service). In Board staff's view, a strict reading of the Board's Decision and Procedural Order No. 7 suggests that the Board intended for the mandate of the Steering Committee to be included in Article 2 (Roles and Responsibilities). Board staff submits that, given the Board's findings, it may be more appropriate to include the mandate of the Steering Committee in Article 2 (Roles and Responsibilities).

All of which is respectfully submitted.