



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

BEFORE: Pamela Nowina
Presiding Member and Vice-Chair

Paul Vlahos
Member

INTERIM DECISION AND ORDER

Background

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.

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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. The Board decided that it would take no further action in the proceeding until the SME filed the Agreement with the Board.

On September 14, 2007, the Board issued 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 on the SME Licence application, whichever was earlier.

On January 18, 2008, the IESO applied to the Board for an interim order to extend the term of its temporary SME licence until the earlier of June 1, 2008 or the date of the Board's final decision on the SME licence. On January 28, 2008, the Board extended the term of the temporary SME Licence as requested by the applicant. The request was granted by the Board in order to allow the applicant to continue exercising the SME's powers or performing the SME's duties while spending additional time on stakeholder consultation on outstanding issues regarding the development of the Agreement.

By letter dated May 13, 2008, the IESO applied to the Board for a further extension of the term of its temporary SME licence until the earlier of September 30, 2008 or the Board's final decision on the SME licence application. The applicant stated that it has met with stakeholders and made progress on a number of key issues, but it will require more time than originally anticipated to prepare the Agreement for Board approval. The applicant restated its belief that spending additional time on stakeholder consultation at this stage will benefit all parties by narrowing the issues and allowing for a more efficient review of the licence application and the Agreement by the Board.

The applicant submitted that no other person will be adversely affected in a material way by the extension of its temporary SME licence and requested that the Board issue the extension without a hearing.

Board Findings

The Board recognizes that the temporary SME licence will expire prior to the final determination of the SME licence application and that the applicant will require an extension to its temporary SME licence to continue exercising the SME's powers or performing the SME's duties. Therefore, the Board finds that it is in the public interest

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to extend the term of the temporary SME Licence until September 30, 2008 or the date on which the Board makes a final determination in proceeding EB-2007-0750, whichever is earlier.

The Board has determined that no other person will be adversely affected in a material way by the issuance of the interim order. Accordingly, the Board has decided to issue the interim order without a hearing.

IT IS THEREFORE ORDERED THAT:

The term of the temporary SME Licence (ES-2007-0750) is extended until September 30, 2008 or the date on which the Board makes a final determination in proceeding EB-2007-0750, whichever is earlier.

DATED at Toronto, May 26, 2008

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary