

January 13, 2016

**VIA Email, Courier and RESS**

Independent Electricity System Operator

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Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
27<sup>th</sup> Floor 2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Smart Metering Entity- Response to January 5, 2016 submission of London Hydro Inc.  
Ontario Energy Board File No.: EB-2015-0298**

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On January 5, 2016 London Hydro Inc. ("London Hydro") submitted a letter to the Ontario Energy Board (the "Board") seeking a public review of the Application filed by the Smart Metering Entity (the "SME") for an extension of the SME/LDC Agreement (the "Agreement") and Disbursement of the Service Levels Credit Account (the "Application"). In its letter, London Hydro also raised a number of other issues.

In its Application, the SME requested that the proceeding be disposed of without a hearing as allowed through Section 21(4) of the *Ontario Energy Board Act, 1998*. The SME Steering Committee (the "SSC") was aware of and supported the Application and the request to have it be disposed of without a hearing. As described in the Application and on the SME's website, the SSC is comprised of representatives from local distribution companies (the "LDCs") which were nominated by the Electric Distributors Association (the "EDA") and one representative from the SME. The EDA, as stated on its website, focuses exclusively on the issues and needs of local electricity utilities – the consumer-facing companies responsible for the actual delivery of electricity to homes, businesses and public institutions. The SSC acts as an advisory panel to the IESO in its role as the SME and represents the interests of MDM/R Service Recipients. Because of the broad representation of the SSC and the fact that the LDC members on the SSC were nominated not by the SME, but rather by the EDA, the SME believes that their support of the Application, as made, is representative of the broader position of Ontario's LDCs.

London Hydro has requested a public review of the Application to allow for a review of the operations of the SME and to allow London Hydro to propose options with respect to the operations of the SME, apparently with the intention of reducing the costs of the SME's operations and, ultimately, the Board approved rate charged by the SME. The SME submits that the type of review suggested by London Hydro is not appropriate for this Application

which seeks to extend an existing Agreement negotiated between parties and previously approved by the Board and also, as stated in the Agreement, to "approve the allocation of service level credits amongst MDM/R service recipients as determined by the SME Steering Committee."

The SME would like to clarify that it has not sought a rate change, be it a reduction or increase, through the Application in case there has been some confusion by any parties with respect to this issue. The SME will file an application with the Board for a new rate prior to the expiration date of its current Board approved rate and will, at that time, explain and provide evidence supporting the rate it seeks in that application.

In its letter, London Hydro provided the following quote from the Board's response to the 2014 Auditor General's report:

The OEB would be pleased to work with the Ministry of Energy and others in the assessment that the Ministry may initiate in respect of options regarding the cost-effective use of the resources of the provincial meter data management system and local distribution systems.

The SME supports the position of the OEB quoted by London Hydro with respect to any review of the Government's policy framework under which the SME operates and would be pleased to work with the Board, the Ministry of Energy and others if such an assessment is initiated by the Ministry. The SME does not believe this Application is the appropriate venue for such an assessment. The SME respectfully submits that this Application should be limited to the extension of the Agreement and the Disbursement of the credit balance of \$368,711 accrued in the Service Levels Credit Account over the May 1, 2013 - December 31, 2014 period.

Yours truly,



Adrian Pye, Senior Regulatory Analyst, Regulatory Affairs

cc: Martin Benum, Director, Regulatory Affairs, London Hydro Inc. (email)  
Martha McOuat, Case Manager, OEB (email)