

February 12, 2016

VIA Email, Courier and RESS

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 - Reply to the Draft Decision on the disposition of the Service Levels Credit Account**  
**Ontario Energy Board File No.: EB-2015-0298**

On January 29, 2016, the Ontario Energy Board (OEB or Board) provided the Smart Metering Entity (SME) with a draft decision for its application to clear the Service Level Credit Account (SLCA). In its draft decision, the OEB declined to clear the SLCA and required the SME to file:

“... an application with the OEB as soon as possible and no later than December 31, 2016, which provides a recalculation of the SMC (*Smart Meter Charge*) based on a five-year forecast of costs and disposition of the credit balances in the Costs and Revenue Variance Accounts. With this application, the SME shall provide an update of its request for the disposition of the Service Level Credits Account to be considered by the OEB.”

The decision by the Board to have the SME file this application (SMC application) was based on the SME's Annual Cost and Variance Account Reports (Report or Reports) filed in April 2014 and April 2015 as required by the Board's decision in EB-2012-0100/EB-2012-0211. The decision in EB-2012-0100/EB-2012-0211 also set the SMC at \$0.788 per month for each Residential and General Service <50kW customers from May 1, 2013 to October 31, 2018.

The SME appreciates the opportunity to provide a reply for the Board's consideration. In this reply the SME addresses the application filing date, requesting that the filing be required in Q2 2017 or later rather than by December 31, 2016 because:

- In early April 2017, 2016 audited financial statements will be available and filed with the Board. Preparing the required filing based on the most recent audited financial information,

including the balance of the SME's outstanding debt, and any 2016 over or under yearly collection will result in a more accurate projection of costs.

- Most of 2016 will be focused on working with the OEB, LDCs and other stakeholders to allow for collection of additional information from each smart meter and participating in the OEB's policy review as outlined in the EB-2015-0297 decision. In addition, the SME will be filing its licence renewal application in late 2016 addressing the SME's implementation plan with respect to third party access to the enhanced SME data (including an assessment of the cost implications). This is a significant effort with a product that is directly correlated with the application for a re-calculated SMC and associated five year forecast. After the licence renewal application is filed, which will include the Implementation Plan and the assessment of the cost implications of that plan, the SME will utilize this information to prepare the evidence to support the application for a re-calculated SMC and associated five year forecast. It must be noted that until the SME receives the Board's decision on the licence renewal application it cannot know whether the implementation plan and cost implications are accepted by the Board.
- While the assessment of the cost implications will form a part of the SMC application, there are other factors that need to be considered. For example, the SME is currently reviewing the requirements with respect to the operational service provider and assessing any additional technical requirements for the MDM/R Data Mart, a data platform that was purposely built to support the higher volumes of web services requests and ad-hoc queries from LDCs. While this work needs to take into consideration the new collection requirements, it is independent of them. This assessment is forecast to be completed by the end of Q3 2016 with the final decisions expected in Q4 2016 or Q1 2017. The decisions resulting from this work may substantially impact the revenue requirement of the SME.

Yours truly,

(original signed)

Adrian Pye

cc: Martha McOuat, Case Manager, OEB (email)