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BY E-MAIL ONLY

March 1, 2018

To: All Licensed Electricity Distributors

Re: Independent Electricity System Operator / Smart Metering Entity Smart Metering Charge 2018-2022 Ontario Energy Board: File No.: EB-2017-0290

On March 1, 2018, the Ontario Energy Board (OEB) issued its Decision and Order in the above noted proceeding which approved the smart metering charge (SMC) to be levied and collected by the Independent Electricity System Operator in its capacity as the Smart Metering Entity (SME), effective January 1, 2018. Further details are provided in the <u>Decision and Order</u>. The new SMC is \$0.57 per smart meter per month, a reduction from the previous SMC of \$0.79 per smart meter per month.

Amount to be Charged by Electricity Distributors

The Decision and Order included a provision for electricity distributors to pass through the SMC to all applicable customers in the Residential and General Service <50kW classes. The SMC to be levied and collected by electricity distributors identified in the OEB's annual *Yearbook of Electricity Distributors* from applicable Residential and General Service <50kW customers shall be \$0.57 per smart meter per month. The SMC shall be in effect from January 1, 2018 to December 31, 2022.

The Decision and Order also requires the SME to rebate to distributors any SMC overpayments in 2018 (to reflect the difference between the previous SMC of \$0.79 per smart meter per month and the lower approved SMC of \$0.57 per smart meter per month that takes effect as of January 1, 2018).

Electricity distributors are required to pass the entirety of the rebate received from the SME through to their applicable customers. Electricity distributors will record the refund through the SMC-related accounts that were approved in the last SMC proceeding, and the variances will be disposed as part of the Group 1 deferral and variance accounts in each distributor's next rate proceeding.

Distributors shall continue to use the following three accounts approved in the EB-2012-0100 / EB-2012-0211 proceeding:

- Account 1551 (Smart Metering Entity Charge Variance Account)
- Account 4076 (Billed Smart Metering Entity Charge)
- Account 4751 (Charges Smart Metering Entity Charge)

Questions regarding the matters addressed in this letter should be directed to <u>IndustryRelations@oeb.ca</u>.

Yours truly,

Original Signed By

Kirsten Walli Board Secretary

c: Independent Electricity System Operator