



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2017-0290

Independent Electricity System Operator / Smart Metering Entity

Application for approval of smart metering charge for the 2018-2022
period

BEFORE: **Cathy Spoel**
Presiding Member

Michael Janigan
Member

Rumina Velshi
Member

March 1, 2018

1 INTRODUCTION AND SUMMARY

The Independent Electricity System Operator (IESO) is designated as the Smart Metering Entity (SME) by Ontario Regulation 393/07 made under the *Electricity Act, 1998*. The SME's statutory objects include implementing and administering the Government of Ontario's smart metering initiative, as required by regulation or directive, and operating the meter data management/repository (MDM/R) to collect, manage, store and retrieve information related to the metering of customers' use of electricity.¹

The SME recovers its costs through a smart metering charge (SMC) approved by the Ontario Energy Board (OEB) and applied to distributors, who in turn pass on the charge to applicable customers in the Residential and General Service <50kW rate classes.

The IESO, in its capacity as the SME, filed an application with the OEB on August 31, 2017 under subsections 78(2.1), (3.0.1), (3.0.2) and (3.0.3) of the *Ontario Energy Board Act, 1998*, seeking approval for its SMC for the 2018 to 2022 period.

¹ *Electricity Act, 1998*, s. 58.3.

2 THE PROCESS

The following parties applied for and were granted intervenor status by the OEB:

- Building Owners and Managers Association (BOMA)
- Electricity Distributors Association
- Niagara-on-the-Lake Hydro Inc.

BOMA applied for and was granted cost eligibility.

Pursuant to Procedural Order No. 1, a settlement conference was held on January 16-17, 2018. On January 31, 2018, the SME filed a settlement proposal for OEB approval based on the outcomes of the settlement conference.

3 DECISION ON SETTLEMENT PROPOSAL

During the settlement conference, the parties reached a full settlement on all issues on the OEB-approved issues list. In the settlement proposal, the parties agreed to a reduction in the SME's revenue requirement for the January 1, 2018 to December 31, 2022 period of \$7.5 million, from the \$178.1 million originally proposed in the application to \$170.6 million. To reflect the reduction in revenue requirement, the parties agreed to a reduction in the monthly SMC from \$0.59 per smart meter per month, as originally proposed, to \$0.57 per smart meter per month. The current SMC, which was approved for the period May 1, 2013 to October 31, 2018, is \$0.79 per smart meter per month.

The parties also agreed on an effective date of January 1, 2018 for the new SMC, and that the SME would reimburse electricity distributors for any overpayments made in 2018 by way of a one-time rebate in the next billing cycle following the month in which the OEB's approval is received.

OEB staff filed a submission supporting the settlement proposal on February 7, 2018.

The OEB has reviewed the settlement proposal and OEB staff's submission and approves the settlement proposal as filed. The approved settlement proposal is attached as Schedule A.

3.1 Pass-through of SMC by electricity distributors

When the OEB approved the SMC for the first time, for the period May 1, 2013 to October 31, 2018, a provision was made for electricity distributors to pass through the SMC to their own customers.² Distributors will continue to be able to do so. Moreover, electricity distributors will continue to use the SMC-related variance accounts that were approved in that proceeding.

The OEB agrees with OEB staff's submission that electricity distributors should pass through the rebate that they will receive from the SME pursuant to section 3.0 of the settlement proposal to reflect the difference between the current SMC and the lower SMC that will take effect as of January 1, 2018.

OEB staff also recommended that the pass-through be done through a one-time rebate. The OEB is of the opinion that it would be more practical to capture the difference

² EB-2012-0100/EB-2012-0211, Decision and Order, March 28, 2013.

between the current SMC and the lower SMC effective January 1, 2018 in the SMC-related variance accounts, for future disposition. This is because there may be administrative difficulties in providing a one-time rebate to customers, which may outweigh the benefits to customers. While this approach will create a delay for affected customers to get their rebate, the OEB notes that the quantum of the rebate is negligible (less than \$1).

Electricity distributors are to 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.

3.2 Accounting Order

A Decision on the SME Accounting Order in the original SME proceeding was issued on May 14, 2013.

The Accounting Order is required to be updated by the SME to reflect the new Balancing Variance Account as referenced in sections 7.0 and 8.0 of the settlement proposal and to update the time periods to reflect this proceeding. Filing requirements are detailed in the Order section below.

4 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The settlement proposal attached as Schedule A is approved.
2. The SMC to be levied and collected by the SME from all electricity distributors identified in the OEB's annual *Yearbook of Electricity Distributors* shall be \$0.57 per smart meter per month for each applicable Residential and General Service <50kW customer for each electricity distributor. The SMC shall be charged to each electricity distributor on the basis of the number of applicable Residential and General Service <50kW customers listed for that electricity distributor in the most recent *Yearbook of Electricity Distributors* published by the OEB. The SMC shall be in effect from January 1, 2018 to December 31, 2022.
3. The SME shall file with the OEB, and shall also forward to intervenors, a draft Accounting Order for the Balancing Variance Account referenced in sections 7.0 and 8.0 of the settlement proposal within **10 days** of the date of the issuance of this Decision and Order.
4. OEB staff and intervenors may file any comments on the draft Accounting Order with the OEB and forward to the SME within **7 days** of the date of filing of the draft Accounting Order.
5. The SME shall file with the OEB and forward to intervenors responses to any comments on its draft Accounting Order within **14 days** of the date of filing of the draft Accounting Order.
6. 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. Correspondence to electricity distributors reflecting the SMC of \$0.57 per smart meter per month is attached as Schedule B.
7. Electricity 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), and Account 4751 (Charges – Smart Metering Entity Charge).

8. BOMA shall file with the OEB and forward to the SME its cost claim within **7 days** from the date of the Accounting Order.
9. The SME shall file with the OEB and forward to BOMA any objections to the claimed costs within **17 days** from the date of the Accounting Order.
10. BOMA shall file with the OEB and forward to the SME any responses to any objections for cost claims within **24 days** of the date of the Accounting Order.
11. The SME shall pay the OEB's costs of and incidental to this proceeding upon receipt of the OEB's invoice.

DATED at Toronto March 1, 2018

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

SCHEDULE A

DECISION AND ORDER

Independent Electricity System Operator / Smart Metering Entity

EB-2017-0290

MARCH 1, 2018

SETTLEMENT PROPOSAL

**Independent Electricity System Operator
designated as the Smart Metering Entity**

**Ontario Energy Board
Application for a Smart Metering Charge
for the period January 1, 2018 to December 31, 2022**

January 31, 2018

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PREAMBLE

This Settlement Proposal is filed with the Ontario Energy Board ("OEB") in connection with the Application by the Independent Electricity System Operator ("IESO"), designated as the Smart Metering Entity ("SME"), for a Smart Metering Charge ("SMC") for the period January 1, 2018 to December 31, 2022.

A decision by the OEB approving the SMC of \$0.79/meter has been approved to be collected through to October 2018 covering the SME's revenue requirement for the period ending December 31, 2017.¹ Through this application, the SME is seeking a reduced monthly SMC of \$0.57/meter commencing January 1, 2018, representing a \$0.22/meter reduction.

In Procedural Order No. 1, dated October 27, 2017, the OEB established the process to address the Application, up to and including a Settlement Conference and associated activities.

In accordance with Procedural Order No. 2, a Settlement Conference was held on January 16 and 17, 2018. Karen Wiannecki acted as facilitator for the Settlement Conference. This Settlement Proposal arises from the Settlement Conference.

The SME and the following intervenors, as well as OEB technical staff ("OEB Staff"), participated in the Settlement Conference:

Building Owners and Managers Association Toronto ("BOMA")
Electricity Distributors Association ("EDA")
Niagara-on-the-Lake Hydro Inc. ("NOTL")

The Settlement Proposal deals with all of the relief sought in this proceeding. As set out in more detail below, a full settlement has been reached on all issues.

The SME and all intervenors listed above have agreed to the settlement described on the following pages. Any reference to "Parties" in this Settlement Proposal is intended to refer to the SME and the intervenors listed above.

¹ OEB Decision on Accounting Order, May 14, 2013;
<http://www.rds.oeb.ca/HPECMWebDrawer/Record?q=CaseNumber:EB-2012-0100&sortBy=recRegisteredOn-&pageSize=400>.

All Parties participated in the Settlement Conference and subsequent discussions. OEB Staff is not a party to the Settlement Proposal. One week after the Settlement Proposal is filed, OEB Staff will file a submission on the Settlement Proposal. Also, as noted in the OEB's *Practice Direction on Settlement Conferences*, OEB Staff who participated in the Settlement Conference are bound by the same confidentiality and privilege rules that apply to the Parties to the proceeding.

This document is called a "Settlement Proposal" because it is a proposal by the Parties to the OEB to settle the issues in this proceeding. It is termed a proposal as between the Parties and the OEB. However, as between the Parties, and subject only to the OEB's approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. As set forth below, this Settlement Proposal is subject to a condition subsequent, that if it is not accepted by the OEB in its entirety, then unless amended by the Parties, it is null and void and of no further effect. In entering into this agreement, the Parties understand and agree that, pursuant to the *Ontario Energy Board Act, 1998*, the OEB has exclusive jurisdiction with respect to the interpretation or enforcement of the terms hereof.

Best efforts have been made to identify all of the evidence that relates to each settled issue. The supporting evidence for each settled issue is identified individually by reference to its exhibit number in an abbreviated format; for example, Exhibit B, Tab 3, Schedule 1 is referred to as B-3-1. The identification and listing of the evidence that relates to each settled issue is provided to assist the OEB.

The Settlement Proposal describes the agreements reached on the issues. The Settlement Proposal provides a direct link between each settled issue and the supporting evidence in the record to date. In this regard, the Parties are of the view that the evidence provided is sufficient to support the Settlement Proposal in relation to the settled issues and, moreover, that the quality and detail of the supporting evidence, together with the corresponding rationale, will allow the OEB to make findings agreeing with the proposed resolution of the settled issues. In the event that the OEB does not accept the proposed settlement of any issue, then subject to the Parties' agreement on non-severability set out in the final paragraph below, further evidence may be required on the issue for the OEB to consider it fully.

None of the Parties can withdraw from the Settlement Proposal except in accordance with Rule 30 of the OEB's *Rules of Practice and Procedure*. Further, unless stated otherwise, a settlement of any particular issue in this proceeding is without prejudice to the positions Parties might take with respect to the same issue in future proceedings.

The Parties acknowledge that the Settlement Conference (including subsequent related discussions) is confidential in accordance with the OEB's *Practice Direction on Settlement Conferences*. The Parties understand that confidentiality in that context does not have the same meaning as confidentiality in the OEB's *Practice Direction on Confidential Filings*, and the rules of that latter document do not apply. Instead, in the Settlement Conference, and in this Settlement Proposal, the Parties have interpreted "confidential" to mean that the documents and other information provided during the course of the Settlement Conference, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement of each issue during the Settlement Conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception, the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal.

Further, the Parties shall not disclose those documents or other information to persons who were not attendees at the Settlement Conference. The Parties agree that "attendees" is deemed to include, in this context, persons who were not physically in attendance at the Settlement Conference but were: a) any persons or entities that the Parties engage to assist them with the Settlement Conference, and b) any persons or entities from whom they seek instructions with respect to the negotiations; in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions.

It is fundamental to the agreement of the Parties that none of the provisions of this Settlement Proposal are severable. If the OEB does not, prior to the commencement of the hearing of the evidence in this proceeding, accept the provisions of the Settlement Proposal in their entirety, there is no Settlement Proposal (unless the Parties agree that any portion of the Settlement Proposal that the OEB does accept may continue as a valid Settlement Proposal).

OVERVIEW

The Parties have reached a package settlement of issues in this proceeding (the “Package Settlement”). The Package Settlement includes all issues in the OEB-approved Issues List that is attached as Schedule A to the OEB’s Decision on Issues List dated November 23, 2017.

Given the SME’S agreement to these settlement terms, the Package Settlement includes acceptance of the SME’S proposals in respect of all issues.

THE ISSUES

1.0 Is the SME’s proposed \$178.1 million revenue requirement for the January 1, 2018 to December 31, 2022 period appropriate?

As part of the Package Settlement, the Parties agree that it is appropriate to revise the SME’s revenue requirement for the January 1, 2018 to December 31, 2022 period to \$170.6 million from the originally proposed revenue requirement of \$178.1 million. This \$7.5 million reduction is based on: (1) a \$2.5 million reduction as a result of the forecast for the December 31, 2017 balance of the uncollected SME debt being \$2.5 million lower than the original forecast (as stated in the response to OEB Staff Interrogatories 7 and 2, Parties agreeing to a further reduction of \$1 million per year in the SME’s revenue requirement, resulting in a \$5 million reduction in the SME’s total revenue requirement. The reduction of \$1 million per year in the SME’s revenue requirement was agreed to by all Parties based on the SME having historically underspent in the 2012-2017 period while also recognizing that the SME had already accounted for a portion of this historic underspend in preparing this application. The amount of the reduction also took into account the additional responsibilities that the SME will be taking on.

Evidence:

Exhibit A-1-1-Application

Exhibit A-3-1-Background and Legal Authority

Exhibit B-1-1-SME Revenue Requirement

Attachment 1-SME Proposed Budget

Attachment 2-2016 Annual Cost and Variance Account Report

Exhibit B-2-1-Smart Metering Charge and Calculation of the Charge

Exhibit B-3-1-SME Variance Accounts

Exhibit B-4-1-MDM/R Governance and Ongoing Stakeholder Outreach

Attachment 1-Q2 2017 SME MDM/R Report, July 31, 2017

Exhibit C-1-1-Third Party Access Implementation Status and Next Steps

Interrogatories:

Exhibit I, Tab 1.0, OEB Staff 1.01 to 1.10

Exhibit I, Tab 1.0, BOMA 2.01 to 2.12

Exhibit I, Tab 1.0, EDA 3.01 to 3.05

Exhibit I, Tab 1.0, NOTL 4.01

2.0 Is the proposed SME fee of \$0.59 per smart meter per month appropriate?

As part of the Package Settlement and as a result of the agreed upon SME revenue requirement of \$170.6 million, the Parties accept that the resulting SME fee of \$0.57 per smart meter per month is appropriate.

Evidence:

Exhibit A-1-1-Application

Exhibit A-3-1-Background and Legal Authority

Exhibit B-1-1-SME Revenue Requirement

Attachment 1-SME Proposed Budget

Attachment 2-2016 Annual Cost and Variance Account Report

Exhibit B-2-1-Smart Metering Charge and Calculation of the Charge

Exhibit B-3-1-SME Variance Accounts

Exhibit B-4-1-MDM/R Governance and Ongoing Stakeholder Outreach

Attachment 1-Q2 2017 SME MDM/R Report, July 31, 2017

Exhibit C-1-1-Third Party Access Implementation Status and Next Steps

Interrogatories:

Exhibit I, Tab 2.0, NOTL 4.02 to 4.04

3.0 Is the proposed January 1, 2018 effective date for the SME fee appropriate?

As part of the Package Settlement, the Parties accept that January 1, 2018 is the appropriate effective date for the SME fee to be effective. Parties accept that the January 1, 2018 date is the appropriate effective date as the SME fee agreed to in this Settlement Proposal is lower than the current SME fee, and therefore customers will not be harmed, and the SME's August 31, 2017 application proposed a lower fee than the currently approved fee.

With an effective date of January 1, 2018 for the proposed SME fee of \$0.57 per smart meter per month, Parties recognize that the SME is collecting more revenue than required each month in 2018 that the SME fee of \$0.79 per smart meter per month is charged. Parties accept the SME rebating the difference between the amount that would have been collected in 2018 with the proposed SME fee of \$0.57 per smart meter per month and the amount collected with the currently approved SME fee of \$0.79 per smart meter per month until the end of the month in which OEB approval is received for the proposed SME fee. This rebate will be provided in the next billing cycle following the month in which OEB approval is received.

Evidence:

Exhibit A-1-1-Application

Exhibit A-3-1-Background and Legal Authority

Exhibit B-1-1-SME Revenue Requirement

Attachment 1-SME Proposed Budget

Attachment 2-2016 Annual Cost and Variance Account Report

Exhibit B-2-1-Smart Metering Charge and Calculation of the Charge

Exhibit B-3-1-SME Variance Accounts

Interrogatories: N/A

4.0 Is the proposal to include the \$7 million projected uncollected SME debt (projected December 31, 2017 balance) in the SME costs appropriate?

As part of the Package Settlement, the Parties accept that the proposal to include the uncollected SME debt in the SME costs is appropriate. The Parties agree that it is appropriate to revise the forecast balance of the uncollected SME debt to \$4.5 million, as provided in response to OEB Staff Interrogatory 7, from the original forecast of \$7 million provided in the application.

Evidence:

Exhibit B-1-1-SME Revenue Requirement

Attachment 1-SME Proposed Budget

Attachment 2-2016 Annual Cost and Variance Account Report

Exhibit B-2-1-Smart Metering Charge and Calculation of the Charge

Exhibit B-3-1-SME Variance Accounts

Interrogatories:

Exhibit I, Tab 1.0, OEB Staff 1.07

5.0 Are the projections for installed smart meters appropriate?

As part of the Package Settlement, the Parties accept that the SME's projections for installed smart meters are appropriate.

Evidence:

Exhibit B-1-1-SME Revenue Requirement

Attachment 1-SME Proposed Budget

Attachment 2-2016 Annual Cost and Variance Account Report

Exhibit B-2-1-Smart Metering Charge and Calculation of the Charge

Exhibit B-3-1-SME Variance Accounts

Exhibit B-4-1-MDM/R Governance and Ongoing Stakeholder Outreach

Attachment 1-Q2 2017 SME MDM/R Report, July 31, 2017

Interrogatories: N/A

6.0 Are the forecast staffing levels appropriate and reasonable?

As part of the Package Settlement, the Parties accept that the SME's staffing levels are appropriate.

Evidence:

Exhibit B-1-1-SME Revenue Requirement

Attachment 1-SME Proposed Budget

Attachment 2-2016 Annual Cost and Variance Account Report

Exhibit B-4-1-MDM/R Governance and Ongoing Stakeholder Outreach

Attachment 1-Q2 2017 SME MDM/R Report, July 31, 2017

Exhibit C-1-1-Third Party Access Implementation Status and Next Steps

Interrogatories:

Exhibit I, Tab 1.0, OEB Staff 1.05 and 1.06

Exhibit I, Tab 1.0, BOMA 2.08 and 2.09

7.0 Is the proposal to establish the Balancing Variance Account appropriate?

As part of the Package Settlement, the Parties accept that establishing the Balancing Variance Account ("BVA") is appropriate. The Parties accept that the establishment of the BVA is beneficial as it will provide a consolidated statement of the three existing variance accounts, which will become sub-accounts of the BVA. Parties accept that the establishment of the BVA will also allow for the tracking and reporting of the proposed

Operating Reserve and the proposed return to ratepayers of any year-end balance in the BVA over \$2.5 million and which results in a rebate to ratepayers of \$0.05 per meter or greater, respectively Issues 11.0 and 12.0, through one account, the BVA.

Evidence:

Exhibit B-1-1-SME Revenue Requirement

Attachment 1-SME Proposed Budget

Attachment 2-2016 Annual Cost and Variance Account Report

Exhibit B-3-1-SME Variance Accounts

Interrogatories:

Exhibit I, Tab 7.0, OEB Staff 1.11 and 1.12

8.0 Is the proposal to continue the three existing variance accounts as sub accounts of the Balancing Variance Account appropriate?

As part of the Package Settlement, the Parties accept that the proposal to continue the three existing variance accounts as sub accounts of the BVA is appropriate.

Evidence:

Exhibit B-1-1-SME Revenue Requirement

Attachment 1-SME Proposed Budget

Attachment 2-2016 Annual Cost and Variance Account Report

Exhibit B-3-1-SME Variance Accounts

Interrogatories:

Exhibit I, Tab 7.0, OEB Staff 1.11

9.0 Is the proposal to continue to carry the balances in the existing Costs variance and Revenue variance accounts forward appropriate?

As part of the Package Settlement, the Parties accept that the proposal to continue to carry the balances in the existing Costs variance and Revenue variance accounts forward is appropriate, as the uncollected SME debt is derived from the balances in these two accounts and Parties have accepted including the uncollected SME debt in the SME costs as appropriate under Issue 4.0.

Evidence:

Exhibit B-1-1-SME Revenue Requirement

Attachment 1-SME Proposed Budget

Attachment 2-2016 Annual Cost and Variance Account Report

Exhibit B-3-1-SME Variance Accounts

Interrogatories:

Exhibit I, Tab 7.0, OEB Staff 1.07 and 1.11

10.0 Is the proposal to clear the balance in the Service Level Credits Account appropriate?

As part of the Package Settlement, the Parties accept that the proposal to clear the balance in the Service Level Credits Account (“SLCA”) is appropriate. Parties accept this is appropriate as this balance was accumulated while the SME/LDC Agreement (“Agreement”) was effective and the Agreement required OEB approval of the allocation of the service level credits amongst MDM/R service recipients as determined by the SME Steering Committee. As the Agreement is no longer in effect, any future credits in the SLCA will be credited in the BVA.

Evidence:

Exhibit B-1-1-SME Revenue Requirement

Attachment 1-SME Proposed Budget

Attachment 2-2016 Annual Cost and Variance Account Report

Exhibit B-3-1-SME Variance Accounts

Interrogatories:

Exhibit I, Tab 7.0, OEB Staff 1.11

11.0 Is the proposal to retain \$2.5 million in the Balancing Variance Account as an operating reserve for the SME appropriate?

As part of the Package Settlement, the Parties accept that the proposal to retain \$2.5 million in the BVA as an operating reserve for the SME is appropriate. Parties accept that it is appropriate for the SME to establish an operating reserve which will allow it to accommodate unplanned work activities that may be material in scope and are beyond the control of the SME.

Evidence:

Exhibit B-1-1-SME Revenue Requirement

Attachment 1-SME Proposed Budget

Attachment 2-2016 Annual Cost and Variance Account Report

Exhibit B-2-1-Smart Metering Charge and Calculation of the Charge

Exhibit B-3-1-SME Variance Accounts

Exhibit B-4-1-MDM/R Governance and Ongoing Stakeholder Outreach

Attachment 1-Q2 2017 SME MDM/R Report, July 31, 2017

Exhibit C-1-1-Third Party Access Implementation Status and Next Steps

Interrogatories:

Exhibit I, Tab 7.0, OEB Staff 1.11 and 1.12

12.0. Is the proposal to return to ratepayers any year-end balance in the Balancing Variance Account, exceeding \$2.5 million and which results in a rebate to ratepayers of \$0.05 per meter or greater, three months after the filing of the SME's annual report with the Board on April 30th appropriate?

As part of the Package Settlement and to provide an opportunity for review of the annual report ("report") the Parties accept that the report providing the final year-end balances in the BVA, each of the three sub-accounts and an explanation of the balances in the accounts shall be sent to all Parties and OEB Staff by April 30th. Parties and OEB Staff may ask the SME questions on the balances within the BVA and sub-accounts and any explanations provided in the report within 10 days of the report being sent by the SME and the SME will respond to these. The SME will file the report with the OEB by May 31st under OEB File No.: EB-2017-0290.

As part of the Package Settlement the Parties accept the SME's proposal to rebate any year-end balance in the BVA exceeding \$2.5 million and which results in a rebate of \$0.05 per meter or greater. If the balance in the BVA meets the threshold for a rebate the report will include a description of the total amount to be rebated and the amount to be rebated to each smart meter account. The Parties accept any rebate would be administered two months after the SME files the annual report with the OEB on May 31st unless the OEB provides alternative direction prior to the rebate being processed.

Evidence:

Exhibit B-1-1-SME Revenue Requirement

Attachment 1-SME Proposed Budget

Attachment 2-2016 Annual Cost and Variance Account Report

Exhibit B-2-1-Smart Metering Charge and Calculation of the Charge

Exhibit B-3-1-SME Variance Accounts

Exhibit B-4-1-MDM/R Governance and Ongoing Stakeholder Outreach

Attachment 1-Q2 2017 SME MDM/R Report, July 31, 2017

Exhibit C-1-1-Third Party Access Implementation Status and Next Steps

Interrogatories:

Exhibit I, Tab 7.0, OEB Staff 1.11

13.0 Are the current stakeholder efforts undertaken by the SME sufficient and do these efforts meet the specific needs of its customers?

As part of the Package Settlement, the Parties agree the current stakeholder efforts undertaken by the SME are sufficient and meet the specific needs of its customers.

Evidence:

Exhibit B-4-1-MDM/R Governance and Ongoing Stakeholder Outreach

Attachment 1-Q2 2017 SME MDM/R Report, July 31, 2017

Exhibit C-1-1-Third Party Access Implementation Status and Next Steps

Interrogatories:

Exhibit I, Tab 13.0, OEB Staff 1.13 and 1.14

Exhibit I, Tab 13.0, EDA 3.06

Exhibit I, Tab 13.0, NOTL 4.05 and 4.06

SCHEDULE B

DECISION AND ORDER

Independent Electricity System Operator / Smart Metering Entity

EB-2017-0290

MARCH 1, 2018

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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 [Decision and Order](#). 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 IndustryRelations@oeb.ca.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

c: Independent Electricity System Operator