Stikeman Elliott

Stikeman Elliott LLP Barristers & Solicitors 5300 Commerce Court West 199 Bay Street Toronto, ON Canada M5L 1B9

Main: 416 869 5500 Fax: 416 947 0866 www.stikeman.com

Patrick G. Duffy Direct: +1 416 869 5257 pduffy@stikeman.com

March 31, 2022 File No.: 101926.1149 By E-mail and RESS

Ontario Energy Board 2300 Yonge Street, 27th Floor Toronto, ON M4P 1E4

Attention: Nancy Marconi, Acting Registrar

Dear Ms. Marconi:

Re: Independent Electricity System Operator / Smart Metering Entity 2023 to 2027 Smart Metering Charge Application

We are counsel to the Independent Electricity System Operator ("**IESO**") in its capacity as the Smart Metering Entity ("**SME**").

We enclose the SME's application, in PDF searchable electronic form, to set the Smart Metering Charge (the "**SMC**") for the 2023 to 2027 period ("**Submission**").

All intervenors to the SME's most recent fee proceeding (EB-2017-0290) and the recent Third Party Access proceeding (EB-2021-0292) have been copied on this Submission.

The current monthly SMC of \$0.57/meter has been approved to be collected through to December 2022. Through this Submission, the SME is seeking a reduced monthly SMC of \$0.43/meter, representing a \$0.14 reduction.

There are several procedural matters that the SME wishes to raise with the Ontario Energy Board (the "**Board**" or "**OEB**") at this time. First, the SME proposes that the Board's Notice of Application ("**Notice**") be given in the following manner:

- information about and hyperlinks to this Submission and the OEB-issued Notices, will be posted on the IESO's website at the "IESO News and Notices", "Regulatory Affairs" and SME webpages on the IESO website;
- (b) information about and hyperlinks to this Submission and the OEB-issued Notices will be sent to each electricity distribution company that currently charges the SMC to its eligible customers; and
- (c) information about and hyperlinks to this Submission and the OEB-issued Notices will be sent to all intervenors registered in the SME's most recent fee proceeding (EB-2017-0290) and the recent Third Party Access proceeding (EB-2021-0292).

As the recipients of the IESO's weekly newsletter are not necessarily involved in the collection of the SMC, the SME does not propose to send information about and hyperlinks to this Submission and the OEB-issued Notices in the weekly newsletter.

Stikeman Elliott

Second, the SME has included a draft Issues List which the SME believes addresses the issues of relevance to this proceeding and requests that this be posted for comment along with the Notice. The draft Issues List is attached as Appendix "**A**" for the Board's consideration.

Lastly, the SME requests that it be allowed three weeks to respond to interrogatories.

Please contact the undersigned or Adrian Pye, Senior Regulatory Analyst, if you have any questions or wish to discuss these points further.

Yours truly,

PD-14

Patrick G. Duffy

PGD/

CC:

Miriam Heinz and Adrian Pye, *IESO*Michael Bell and Ian Richler, *Ontario Energy Board*Ted Wigdor, Kathryn Farmer and Brittany J. Ashby, *Energy Distributors Association (EDA)*Julie Girvan, *Consumers Council of Canada (CCC)*Mark Garner and John Lawford, *Vulnerable Energy Consumers Coalition (VECC)*Albert Engel, Ian Jarvis, Gillian Henderson and Matthew Rutledge, *Building Owners and Managers Association (BOMA)*Tom Ladanyi, *Energy Probe Research Foundation*Joanna Vince, Raeya Jackiw and Travis Lusney, *Ontario Sustainable Energy Association (OSEA)*Tim Curtis, *Niagara-on-the-Lake Hydro Inc.*

Appendix A Draft Issues List EB-2022-XXXX

- 1. Is the Smart Metering Entity's (***SME**") proposed \$137.5 million revenue requirement for the January 1, 2023 to December 31, 2027 period appropriate?
- 2. Is the proposed Smart Metering Charge ("**SMC**") of \$0.43 per smart meter per month appropriate?
- 3. Is the proposed January 1, 2023 effective date for the SME fee appropriate?
- 4. Is the proposed five-year term, January 1, 2023 to December 31,2027, for the SMC appropriate?
- 5. Are the projections for installed smart meters appropriate?
- 6. Is the proposal to establish the Operating Reserve Balancing Account appropriate?
- 7. Is the proposal to retain \$2.5 million in the Operating Reserve Balancing Account as an operating reserve for the SME appropriate?
- 8. Is the proposal to return to ratepayers any year-end balance in the Operating Reserve Balancing Account, exceeding \$2.5 million and which results in a rebate to ratepayers of \$0.05 per meter or greater, three months after the filling of the SME's annual report with the Board on April 30th appropriate?

Filed: March 31, 2022 Exhibit A Tab 1 Schedule 1 Page 1 of 5

ONTARIO ENERGY BOARD

IN THE MATTER OF subsections 21(7), 78(2.1), (3.0.1), (3.0.2) and (3.0.3) of the *Ontario Energy Board Act*, 1998;

AND IN THE MATTER OF subsection 53.8(8) of the *Electricity Act, 1998;*

AND IN THE MATTER OF Ontario Regulation 453/06 made under the *Ontario Energy Board Act, 1998;*

AND IN THE MATTER OF an Application by the Independent Electricity System Operator, designated as the Smart Metering Entity, for an Order approving a Smart Metering Charge for the period January 1, 2023 to December 31, 2027

APPLICATION

1. The applicant, the Independent Electricity System Operator (the "**IESO**"), is a corporation without share capital continued under Part II of the *Electricity Act*, 1998 (the "**Electricity Act**").

2. On March 28, 2007, the IESO was designated as the Smart Metering Entity ("SME") by Ontario Regulation 393/07 made under the Electricity Act which came into effect on July 26, 2007. The objects of the SME as outlined in the Electricity Act include, in addition to other objects and business activities, to plan, manage, implement, oversee, administer and deliver the provincial government's smart metering initiative.

3. The IESO, in its capacity as SME, hereby applies to the Ontario Energy Board (the "**Board**" or "**OEB**") for an order under subsections 21(7), 78(2.1), (3.0.1), (3.0.2) and (3.0.3) of the *Ontario Energy Board Act*, 1998 (the "**OEB Act**"):

Filed: March 31, 2022 Exhibit A Tab 1 Schedule 1 Page 2 of 5

- (i) approving an interim monthly Smart Metering Charge ("SMC") of \$0.43 per meter per month, replacing the currently approved SMC of \$0.57, for residential and general service <50kW customers to be charged to each local distribution company ("LDC") for the period April 1, 2022 to December 31, 2022;
- (ii) approving a monthly SMC of \$0.43 per meter per month for residential and general service <50kW customers to be charged to each LDC for the fiveyear period January 1, 2023 to December 31, 2027;
- (iii) approving the revenue requirement and 5-year SME budget of \$137.5 million for the period January 1, 2023 to December 31, 2027;
- (iv) approving the formation of the Operating Reserve Balancing Account ("ORBA") and the discontinuation of the Balancing Variance Account ("BVA") and its associated sub-accounts beginning January 1, 2023;
- (v) approving a balance of up to \$2.5 million as an operating reserve in the ORBA;
- (vi) permitting the SME to continue the approved practice of sharing a draft annual Cost and Variance report (the "Report") by April 30 of each year with parties for review and filing a final version of the Report with the OEB by May 31 of each year; and
- (vii) permitting the SME to clear any surplus in the ORBA that (1) exceeds the proposed operating reserve of \$2.5 million, and (2) amounts to \$0.05 per meter or greater, by rebating that amount to ratepayers no sooner than the third month after the filing of the Report with the Board on May 31 of each year.

4. The requested SMC will cover the costs of the SME in the conduct of its activities over the 2023 to 2027 period. The SME is not seeking approval for a rate of return as the IESO is a non-profit corporation under the Electricity Act.

5. The requested interim SMC will cover the costs of the SME in the conduct of its activities from April 1, 2022 to December 31, 2022 and will reduce the forecast overcollection that would otherwise occur.

6. The persons affected by this application are all LDCs licensed by the Board and their respective residential and general service <50kW customers ("**low volume consumers**").

7. The SME anticipates that it will operate within the proposed revenue requirement and SMC for the period January 1, 2023 to December 31, 2027 and that it will file an application in 2027 for a new fee to be effective January 1, 2028.

8. The SME proposes that the Board review of the application proceed by way of a written hearing.

9. The SME has filed evidence in support of this application, as identified in the Exhibit List at Exhibit A-2-1. The SME may amend its pre-filed evidence from time to time prior to, and during, the course of the Board's proceeding. In particular, should the SME identify a material change to its application, the SME will advise the Board and update its pre-filed evidence. The SME reserves the right to amend its application accordingly, including making any necessary adjustments to the proposed SMC.

10. The SME may seek to have additional meetings with Board staff and intervenors in order to identify and address any further issues arising from this application with a view to an early settlement and disposition of this proceeding. 11. The SME requests that a copy of all documents filed with the Board by each party to this proceeding be served on the SME and the SME's counsel in this proceeding, as follows:

(a) The SME:

Mr. Adrian Pye Senior Advisor, Independent Electricity System Operator

Mailing address:

120 Adelaide Street West, Suite 1600 Toronto, Ontario M5H 1T1

Tel: 905-601-2858 Fax: 416 969-6383 Email: regulatoryaffairs@ieso.ca

(b) The SME's counsel:

Mr. Patrick G. Duffy Stikeman Elliott LLP

Mailing address:

5300 Commerce Court West 199 Bay Street Toronto, Ontario M5L 1B9

Tel: (416) 869-5257 Fax: (416) 947-0866 Email: pduffy@stikeman.com

Filed: March 31, 2022 Exhibit A Tab 1 Schedule 1 Page 5 of 5

DATED at Toronto, Ontario, this 31 day of March, 2022.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

PD-14

By its counsel in this proceeding Patrick G. Duffy

SMART METERING ENTITY 2022 TO 2027 SMART METERING CHARGE APPLICATION

EXHIBIT LIST

Exhibit	Tab	Schedule	Description						
A – AD	A - ADMINISTRATION								
Α	A 1 1 Application								
Α	2	1	Exhibit List						
Α	3	1	Background and Legal Authority						
B – REV ACCOU		REQUIR	EMENT, SMART METERING CHARGE AND VARIANCE						
В	1	1	SME Revenue Requirement						
В	2	1	Smart Metering Charge and Calculation of the Charge						
В	3	1	SME Operating Reserve Balance Account						
В	4	1	Ongoing Stakeholder Outreach						
			Attachment 1 – Q4 2021 SME MDM/R Report, January 31, 2022						
В	5	1	Definitions Used						

Filed: March 31, 2022 Exhibit A Tab 3 Schedule 1 Page 1 of 2

1

BACKGROUND AND LEGAL AUTHORITY

The Smart Metering Initiative ("SMI") means the Ontario government's policies
 related to its decision to ensure that Ontario electricity consumers are provided, over
 time, with smart meters. The goal of the SMI is to create a conservation culture and a
 toolset for demand management based upon the province-wide deployment of smart
 meters.

2. On July 26, 2007, Ontario Regulation 393/07 came into effect, designating the 7 Independent Electricity System Operator (the "IESO") as the Smart Metering Entity 8 ("SME") and providing the IESO with the authority to, amongst other things, support 9 the SMI by coordinating and project managing implementation activities for the Meter 10 Data Management Repository ("MDM/R"). The provincial government later amended 11 12 the IESO's objects through Ontario Regulation 288/14 made under the *Electricity Act*, 1998 (the "Electricity Act") to also require the IESO to plan, manage, implement, 13 oversee, administer and deliver the SMI or any aspect of the initiative. 14

The SME's MDM/R is a repository for smart meter data and is utilized to collect,
manage, store and retrieve the information and data related to the metering of low
volume consumers' consumption or use of electricity in Ontario. It has the capability to
receive smart meter consumption data from a local distribution company's ("LDC")
advanced metering infrastructure; validate, estimate, and edit the smart metering data;
and transmit billing quantity data back to the LDC for use in customer billing.

4. The MDM/R became operational in 2008 and further development of, and
updates to, the MDM/R have occurred since then and new functionality continues to be
implemented.

5. The Ontario Energy Board Act, 1998 (the "OEB Act") provides the Ontario Energy
Board (the "Board" or "OEB") with the legal authority to allow the IESO to recover,

Filed: March 31, 2022 Exhibit A Tab 3 Schedule 1 Page 2 of 2

through just and reasonable rates, costs related to its role as the SME through a Board

2 Order under subsection 53.8(8) of the Electricity Act and subsections 78(2.1) and (3.0.1,

3 3.0.2 and 3.0.3) of the OEB Act and the authority to make interim orders under

4 subsection 21 (7) of the OEB Act.

5 6. The IESO Market Rules were amended effective December 12, 2007 to permit the
6 collection of the Smart Metering Charge (the "SMC") by the IESO.

7 7. In its decision on the SME's prior SMC application for the 2018-2022 period, EB-

8 2017-0290 (the "**prior Decision**"), the OEB ordered that effective January 1, 2018 to

9 December 31, 2022 the SME could levy and collect a SMC of \$0.57 per month for each

10 Residential and General Service <50kW customers from all LDCs identified in the

11 Board's annual *Yearbook of Electricity Distributors*¹ (the "**Yearbook**").

¹ Natural gas and electricity utility yearbooks | Ontario Energy Board (oeb.ca)

1

SME REVENUE REQUIREMENT

The Smart Metering Entity's ("SME") revenue requirement for the period from
 January 1, 2023 to December 31, 2027 is \$137.5 million, based on the projected operating
 expenses, as shown in Table 1 below. This includes the budget for operating the Meter
 Data Management Repository ("MDM/R") and the amortization of capital expenses for
 asset additions and/or upgrades.

For reference, the January 1, 2018 to December 31, 2022 budget approved by the
 Ontario Energy Board (the "Board" or "OEB") in EB-2017-0290 was \$170.6 million.

9	Smart Metering Entity	y Revenue Requirement: 2023 to 2027:
	0.	5 1

...

Operating Expenses (\$M)	2023	2024	2025	2026	2027	Total
Compensation and Benefits	4.8	4.9	5.0	5.1	5.2	25.0
Professional and Consulting	2.0	2.1	2.1	2.1	2.1	10.4
Operating and Administration	20.5	20.6	18.6	18.7	20.9	99.3
OM&A Expenses	27.3	27.6	25.7	25.9	28.2	134.7
Amortization	0.0	0.2	0.4	0.6	1.6	2.8
Total Operating Expenses	27.3	27.7	26.0	26.4	29.7	137.5

10 **Table 1**

11

3. The key assumptions and business conditions supporting the proposed revenuerequirement are as follows:

14

15

(a) The 5-year period during which the costs will be recovered is from January 1, 2023 to December 31, 2027.

Filed: March 31, 2022 Exhibit B Tab 1 Schedule 1 Page 2 of 6

1

2

3

4

- (b) The SME has fully repaid the historical debt related to the initial MDM/R build costs and historical SME debt of \$100.1 million of unrecovered MDM/R build costs accumulated as debt prior to the first approved Smart Metering Charge ("SMC") recovery period.
- (c) In reflection of the SME's stable business model as an ongoing concern, the 5 SME will move from a cash accounting method that was in place since the 6 Board approved the initial SMC, to an accrual accounting method, which the 7 Independent Electricity System Operator ("IESO") also operates under, as of 8 January 1, 2023. Under an accrual accounting method, revenue and expenses 9 are recorded when a transaction occurs versus when a payment is received or 10 made, as is the case for a cash accounting method, and this is reflected in the 11 revenue requirement being proposed for the 2023 to 2027 period. Under the 12 accrual accounting method, any debt and associated financing costs to 13 support capital investments will be amortized over the service life of assets, 14 and any operating surplus or deficit will, beginning January 1, 2023, be 15 recorded in the proposed Operating Reserve Balancing Account ("ORBA"), 16 which will replace the Balancing Variance Account ("BVA") and associated 17 sub-accounts. 18
- (d) OEB approval of this move to an accrual accounting method is not requiredand is not being sought.
- (e) As a non-profit corporation, the IESO, as the SME, has not included and is not
 seeking approval for a rate of return.
- 23 Capital Investments

At this time, the MDM/R is an established, mature operation which requires
 ongoing maintenance and refreshes at a rate that is comparable with other similar IT
 projects. The SME forecasts \$10.0 million of capital investments for the acquisition of

1 new assets and upgrades to hardware and software solutions during the January 1, 2023

2 to December 31, 2027 period; these assets will be amortized over the service life

s expected of each asset once they are placed into service in accordance with the IESO's

4 accounting policy.

(\$M)	2023	2024	2025	2026	2027	Total
Capital Expenses	1.0	1.0	2.0	4.0	2.0	10.0

5

6 Operating Budget

The SME's proposed budget for the 2023 to 2027 period, shown in Table 1 above,
includes costs associated with the following:

- Compensation and benefits
- Professional and consulting fees
- Operating and administration
- 12 Amortization
- 13

14 Compensation and Benefits

6. The SME currently has 20 full time equivalents ("FTEs") and is proposing to add
up to 3 FTEs during the 2023 to 2027 period. The incremental FTEs will help support

ongoing core operations which are currently understaffed as the SME has been

reducing its reliance on certain work historically performed by consultants and external

vendors, as well as expected additional Third Party Access ("**TPA**") activities, and other

20 change initiatives as later described. By moving more responsibilities in-house the SME

21 will reduce expenses for outsourced work and build its in-house knowledge and

22 expertise. The staffing and associated compensation and benefits costs for the budgeting

23 period are shown below.

Filed: March 31, 2022 Exhibit B Tab 1 Schedule 1 Page 4 of 6

Full Time Equivalents	2023	2024	2025	2026	2027
Regular	23	23	23	23	23
Temporary	-	-	-	-	-
Full Time Equivalents					
Total	23	23	23	23	23

(\$M)	2023	2024	2025	2026	2027	Total
Compensation & Benefits	4.8	4.9	5.0	5.1	5.2	25.0

2

1

The compensation and benefits costs include the SME's costs to perform services
pertaining to the operation of the MDM/R, supporting local distribution companies
("LDCs"), overseeing the Operational Service Provider's ("OSP") support of the
MDM/R, managing the design, testing and implementation of changes to the MDM/R,
LDCs communications and training.

8. The SME will also continue to be supported by resources from the IESO's 8 mainstream business as required, primarily in the areas of finance, settlements, legal, 9 regulatory, information technology, and human resources. This support work will 10 continue to be resourced on a time and material basis and the costs of IESO resources 11 utilized by the SME will be charged to the SME in the manner recommended in the 12 Report on Methodology for the Allocation of Shared Costs To Certain Identified 13 Activities filed July 16, 2018, in EB-2018-0143 and approved by the Board. These costs 14 have been included within the SME's proposed revenue requirement. 15

16 **Professional and Consulting Services**

9. The professional and consulting costs include all externally contracted resources
in support of the MDM/R operations. These costs include the annual CSAE 3416 audit
and other potential operational audits, external legal services, Third Party Access

114867161 v2

1 activities including associated privacy, security and ethics projects as described in the

2 Third Party Access application (EB-2021-0292), LDC communications and stakeholder

3 engagements among other requirements. The budget for professional and consulting

4 costs are shown below:

(\$M)	2023	2024	2025	2026	2027	Total
Professional &						
Consulting	2.0	2.1	2.1	2.1	2.1	10.4

5

6 **Operating & Administration**

10. The operating and administration costs of the SME include provisions for the 7 core operating MDM/R services provided by the OSP; rental costs of the SME facilities; 8 a portion of the OEB's annual operating invoices issued to the IESO; OEB registration 9 fees related to the SME license; computer hardware and software maintenance and 10 11 support costs; training and other staff expenses. The budget for operating and administration costs shown below reflect savings for OSP fees during the 2025 to 2026 12 period, which were achieved in recent contract negotiations, and forecast increased 13 costs beginning in 2027 as a potential new vendor and/or contract will need to be in 14 place by Q1 2027. 15

(\$M)	2023	2024	2025	2026	2027	Total
Operating &						
Administration	20.5	20.6	18.6	18.7	20.9	99.3

16

17 Amortization

18 11. The amortization expenses in the SME budget represent the costs of the longterm assets, including amounts directly attributable to the acquisition, construction,
development or betterment of the assets, over the lifetime of their use. The amortization

Filed: March 31, 2022 Exhibit B Tab 1 Schedule 1 Page 6 of 6

- 1 expenses build-up over time as new assets are placed into service and until the cost of
- 2 existing assets are fully expensed or the asset is sold or replaced. The budgeted capital
- 3 expenses of an asset projected to be placed into service during the 2023 to 2027 period is
- 4 amortized on a straight-line basis over its estimated service life.

(\$M)	2023	2024	2025	2026	2027	Total
Amortization	0.0	0.2	0.4	0.6	1.6	2.8

5

1 2

SMART METERING CHARGE AND CALCULATION OF THE CHARGE

Through this application the Smart Metering Entity ("SME") is seeking approval
 for a Smart Metering Charge ("SMC") of \$0.43 per meter per month for five years, from
 January 1, 2023 to December 31, 2027, and an interim SMC of \$0.43 per meter per month
 for the period April 1, 2022 to December 31, 2022 as explained below.

For reference he proposed SMC for the 2023 to 2027 period is lower than the
current SMC of \$0.57 per meter per month, approved from January 1, 2018 to December
31, 2022, which is lower than the original SMC, approved from 2013 to 2018, of \$0.79 per
meter per month.

The SME proposes to continue with the currently approved rate structure for the
 SMC by using a monthly charge per residential and general service <50kW customers
 collected from local distribution companies ("LDCs"). Under this approach, the SME's
 approved revenue requirement will continue to be allocated to, and recovered monthly
 from, the LDCs on a "per customer" basis.

4. In advance of the initial approved SMC (EB-2012-0100/EB-2012-0211), the SME 16 consulted with LDC representatives and determined that the most appropriate rate 17 structure for the SMC was through a "per customer" charge. This rate structure 18 spreads the costs of the SME over the total number of smart meters deployed in 19 recognition that the Meter Data Management Repository ("MDM/R") provides a 20 service that will continue to benefit all end-use smart meter customers across Ontario 21 and continue to enable a number of value added applications from the data held and 22 collected by the SME. 23

5. The proposed rate structure continues to be consistent with the well-establishedcriteria of a sound rate structure:

1	(a) Simplicity: The proposed rate structure is simple to understand and
2	administer because it uses reliable and accurate data on the number of
3	residential and general Service <50kW customers in Ontario as a whole and
4	for each LDC. This will allow LDCs to easily and accurately anticipate the
5	SMC payable each year.
6	(b) Stability: Application of the proposed rate structure allows the SME to recover
7	its costs. The proposed structure also provides for both revenue and rate
8	stability and smooths the cash flow impact for the SME, and reduces its
9	forecast risk.
10	(c) <i>Fairness</i> : The SME's capability to provide services is mainly achieved through
11	its staff and integrated information technology, and the bulk of the SME's
12	costs do not vary with the number of meters enrolled with the MDM/R or
13	whether those meters serve residential and general Service <50kW customers.
14	The ongoing costs of the MDM/R do not depend on usage levels. Therefore,
15	it is fair that the costs of the SME be shared equally amongst end use
16	customers regardless of when that customer began receiving service.

17 Calculation of the 2023 - 2027 Smart Metering Charge ("SMC")

6. The calculation of the proposed SMC of \$0.43 per meter per month is
summarized as follows:

a. Revenue Requirement
i. \$137.5M
 Average Number of Residential and General Service <50kW
Customers over the January 1, 2023 to December 31, 2027 period
i. 5.37 million meters
c. Number of collection period s
i. 60 months
SMC = $(a. / b.) / c.$
= $(\$137.5M/5.37 \text{ million meters}) / 60 \text{ months}$

1 7. Each of the components for the formula is discussed below in greater detail.

2 Revenue Requirement

8. The SME has applied for a revenue requirement of \$137.5 million as detailed in
4 Exhibit A-1-1.

5 Average Number of Residential and General Service <50kW Customers

9. The "per customer" count used by the SME for the purposes of the SMC is the
projected average number of residential and general service <50kW customers that the
SME expects to provide service to during the period between January 1, 2023 to
December 31, 2027.

10. The projection for 2023 enrollment of smart meters in the MDM/R is forecast to
be approximately 5.29 million smart meters. Enrolment is estimated to continue to
increase or grow at a rate of 0.8% per year from January 1, 2023 to December 31, 2027.
The 0.8% growth rate is based on a 5-year historical average of smart meter growth for
both residential and general service <50kW across all LDCs as reported in each of the
Ontario Energy Board's (the "Board" or "OEB") 2016 to 2020 Yearbooks Of Electricity
Distributors (the "Yearbook").

Based on this growth, the SME estimates that there will be approximately
5.29 million meters in place by the beginning of 2023 and an average 5.37 million smart
meters over the 5-year period between 2023 and 2027, the period during which the
proposed new SMC is proposed to be in effect.

21 Number of Collection Periods

12. The SME proposes to continue to collect the proposed SMC on a monthly basis
over the 60 collection periods in the five-year term proposed. The proposed SMC will

Filed: March 31, 2022 Exhibit B Tab 2 Schedule 1 Page 4 of 5

1 be invoiced to LDCs for the applicable month on the tenth business day (as per the

2 Independent Electricity System Operator's Market Rules) following the end of the

³ previous month, such that it would be paid by each LDC in the applicable month.

4 13. Based on the proposed rate structure and calculation, the proposed SMC for the
5 2023 to 2027 period is \$0.43 per meter per month.

6 The Proposed Interim Smart Meter Charge

7 14. An interim SMC of \$0.43 per meter per month is being proposed for the April 1,
8 2022 to December 31, 2022 period.

9 15. The proposed interim SMC is forecast to reduce the revenue collected in 2022 by
approximately \$6.6 million, as shown below:

11 \$0.14/meter x 5.25 million meters x 9 billing periods = \$6.6 million

16. The interim SMC is intended to reduce a forecast 2022 overcollection that would
otherwise occur. This forecast overcollection is due to multiple factors, including:

14 (a) a greater number of meters installed in 2022 than forecast;

15 (b) the historical SME debt having been paid off earlier than forecast; and

(c) contract negotiations for the MDM/R Operational Service Provider
 ("OSP") resulting in lower operating costs than forecast.

17. As described in Exhibit B-3-1, any over-collection by the SME is returned to
ratepayers, unless otherwise ordered by the OEB, after the SMEs Annual Cost and
Variance report is filed with the OEB by May 31 of each year. The SME is not proposing
to alter this approved methodology, it is seeking to reduce the total amount collected
from customers through the SMC in 2022. Any over or under-collection in 2022 will be

managed according to the approved methodology after the 2022 Report has been filed
with the OEB in May 2023.

18. As detailed in the prior SMC application, the majority of the historical SME debt
had been paid off at the time of that application with approximately \$5 million
remaining to be paid down over the 2018 to 2022 period. As described in the 2020 Cost
and Variance report filed with the OEB¹, the SME managed to achieve an operating
surplus of \$8.4 million as of December 31, 2020, which was used to fully pay-off the
historical SME debt and rebate back to low volume consumers the remaining surplus
above the \$2.5 million retained in the Balancing Variance Account.

¹ <u>IESO_PHF_SMEAnnualCostandVarianceReport_20210528.PDF</u>

1

SME OPERATING RESERVE BALANCE ACCOUNT

In the prior Smart Metering Charge ("SMC") decision, the Ontario Energy Board
 (the "Board" or "OEB") approved the current SMC, the establishment of the Balancing
 Variance Account ("BVA") and corresponding sub-accounts:

- (a) The *Balancing Variance Account,* which consolidates and tracks the balances
 in the existing sub-accounts.
- 7 (b) Sub-account *Costs Account*, to record any changes in the Smart Metering
 8 Entity's ("SME") forecast costs.
- 9 (c) Sub-account *Revenue Account*, to record any revenue surplus or deficiency
 relative to the forecast revenue.
- (d) Sub-account Service Level Credits Account, to record a penalty in the form of 11 a service credit payable by the Operational Service Provider ("OSP") to the 12 SME that may be triggered in the event that the OSP fails to meet the target 13 service levels for Critical Meter Data Management & Repository 14 ("MDM/R") Services set out as per the contractual provision in that 15 agreement. The OSP is contractually required to meet agreed to service 16 levels specific to the availability and performance of the MDM/R. The 17 target service levels contained in the MDM/R Service and Performance 18 Levels document lists the target service levels set out in an agreement 19 between the SME and the OSP. 20

In the prior SMC decision, the Board also approved the SME accumulating \$2.5
 million in the BVA as an operating reserve and that any surplus exceeding the proposed
 reserve to be rebated back to ratepayers if the rebate was \$0.05/meter or greater.

Filed: March 31, 2022 Exhibit B Tab 3 Schedule 1 Page 2 of 5

The 5-year SME budget approved in the SME's initial SMC application (EB-2012-3. 1 0100/EB-2012-0211) included \$100.1 million of unrecovered MDM/R build costs 2 accumulated as debt prior to the first approved SMC recovery period (the "historical 3 SME debt"). The historical SME debt and approximately \$5 million of residual debt and 4 financing costs were paid off ahead of schedule, by December 31, 2020, rather than the 5 end of this five-year budget period, December 31, 2022, as forecast in the prior SMC 6 application. As a result, the BVA had a surplus exceeding \$2.5 million in 2020, which 7 resulted in a rebate of \$2.5 million to ratepayers in 2020 and, as will be provided in the 8 annual Cost and Variance Report to be filed with the Board by May 31, 2022, a forecast 9 rebate of \$13.7 million in 2021. 10

Currently the SME reports its financials to the OEB on a cash accounting basis.
 The SME will adopt the accrual accounting method, under which the IESO operates, as
 of January 1, 2023. This change will align the SME's accounting methods with the
 Independent Electricity System Operator's ("IESO") and, as the historical SME debt has
 now been fully paid off, it is appropriate to make this change with the 2023 to 2027
 budget cycle.

5. In consideration of the full repayment of the historical SME debt and the move to 17 the accrual accounting method, the SME proposes to move from tracking in and 18 reporting on the BVA and its associated sub-accounts to reporting through the 19 proposed Operating Reserve Balance Account ("ORBA"), as described below, to fund 20 the SME's operations in the event of revenue shortfalls or unanticipated expenditures in 21 2023 and going forward. This change is in line with how the IESO manages surplus or 22 deficits in its operations. The January 1, 2023 beginning balance of the ORBA will be the 23 December 31, 2022 BVA ending balance, after which any surplus or deficit in operation 24 will be accumulated in the account, and any excess of the established \$2.5 million 25 26 balance will be rebated back as per the approved mechanism to SMC ratepayers, or any

- deficit from the approved \$2.5M operating reserve balance will be replenished through
- 2 retention of the difference in future years' surplus.
- 3 6. The table below demonstrates how the SME will report on the ORBA, using
- 4 projected 2023 budget amounts as an example:

SME Operating Reserve	2023
Balance Account (\$M)	Actual
Opening Balance	\$2.5
Surplus (Deficit)	(\$0.3)
Closing Balance	\$2.2
OEB Approved Balance	\$2.5

5

7. It is expected that there will be some variance between the actual revenues and
expenses and the OEB-approved SME budget. This variance will be reflected as either a
deficit or surplus in SME's financial results, including the necessary rebates. Surplus
variances will be collected in the SME's operating reserve account. Deficit variances will
draw on the operating reserve and will be similarly recorded in the operating reserve
account.

12 Third Party Access

8. The Board approved the settlement reached in the IESO's Third Party Access 13 application (EB-2021-0292). As part of the approved settlement, all parties agreed on the 14 mechanism for the SME to report on Third Party Access costs and revenues in 15 accordance with the approach and schedule utilized for the SMC. In addition, the Board 16 approved the establishment of a new variance sub-account to the BVA called the Third-17 Party Access Variance Account to track costs associated with fulfilling requests for data 18 access and any revenue generated from requestors. The SME proposes to continue the 19 20 Third-Party Access Variance Account as part of the ORBA.

Filed: March 31, 2022 Exhibit B Tab 3 Schedule 1 Page 4 of 5

1 Market Rebates

9. The SME is also proposing to use the same formula and timing to return any
excess revenues as was approved in the prior SMC decision, for any surplus in the
ORBA that:

5 (1) exceeds the proposed operating reserve of \$2.5 million;

6 (2) amounts to \$0.05 per meter or greater be rebated back to ratepayers; and

(3) that any surplus be rebated no sooner than three months from filing the
annual Cost and Variance Report with the OEB, as approved in the prior SMC
decision, and which allows the OEB due time to review the Cost and Variance
Report and provide alternative direction prior to any rebate being processed
should it choose to do so.

10. The SME proposes to continue to use the most recent version of the OEB's
Yearbook of Electricity Distributors (the "Yearbook") available for the number of
meters served.

15 11. The proposed method is to take the surplus in the ORBA in excess of the 16 proposed operating reserve of \$2.5 million and divide it by the number of meters as set 17 out in the most recently published OEB Yearbook as shown below. If the resulting 18 amount equals or exceeds \$0.05 per meter, then the amount will be rebated back to 19 ratepayers.

Surplus in the ORBA in excess of \$2.5 million/ number of meters as set out in the OEBs most recently published Yearbook.

20

1 Risks

2	12. As with any business operation, the SME faces certain risks in both its revenues				
3	and operating expenses. The SME's expenses and revenues are forecast based on both				
4	the experience of IESO and SME staff, and the best information available at the time.				
5	While the SME and the IESO strive to reduce uncertainty in the inputs in order to make				
6	the resulting revenue requirement and SMC as robust as possible, all forecasts are				
7	inherently uncertain. Some of the potential risks the IESO faces may be anticipated but				
8	not quantifiable, while others are simply not known.				
9 10	13. A number of risks and potential other sources of variances to the SME's forecasts have been identified, including:				
11	• the US-Canada exchange rate which has, and will potentially further impact,				
12	the SME's operating expenses as some operational invoices are billed in US				
13	dollars;				
14	• increases in interest rates which could increase financing costs;				
15	• the potential impacts of new or changing policy initiatives or requirements,				
16	including any related to provincial initiatives such as new rate plans, net				
17	metering or expanding service to additional customer classes;				
18	• the potential increase in the number of smart meter data reports & analytics				
19	in support of the OEB, government and the IESO mandates and expanding				
20	scope of the SME's business model in light of third-party access requirements;				
21	and				
22 23	 potential technical enhancements as requested by local distribution companies. 				
	_				

1

ONGOING STAKEHOLDER OUTREACH

The Smart Metering Entity ("SME") has undertaken multiple outreach and
 consultations with local distribution companies ("LDCs") and stakeholders during the
 2018 to 2022 period, including:

- (a) The SME has supported multiple LDC mergers within the Meter Data
 Management Repository ("MDM/R") using a specially-designed custom tool
 and accompanying processes to ensure a smooth and seamless experience for
 the merging LDCs.
- 9 (b) The SME continues to support LDCs on their Customer Information System
 10 ("CIS") upgrade and replacement projects.
- (c) In September 2021, the SME held its sixth annual province-wide LDC event
 following a format which aims toward informative and interactive sessions
 with presentations, speakers and Smart Metering Entity business updates.
 Such events will continue to be held on a yearly basis, with this year's event
 planned for the fall of 2022.
- (d) The SME participated and assisted in collaborative efforts with the Ministry
 of Energy ("MoE") and the Ontario Energy Board (the "Board" or "OEB") for
 rate changes related to COVID-19 Relief Planning by implementing global
 price changes events into the MDM/R at the start and the end of the period to
 segment billing requests spanning the price changes for the LDCs.
- (e) The SME continues to support, provide analysis and information to assist in
 decisions regarding Customer Choice as it relates to enhanced optional Time of-Use and Tiered pricing alternatives.

1	(f) The SME is participating in the OEB's Green Button Industry-Led Working
2	Group as well as offering insights as to the consumption data available via
3	the MDM/R.
4	(g) The SME maintains a relationship with the large Advanced Metering
5	Infrastructure ("AMI") and meter providers to ensure that it can support
6	AMI system upgrades and new generations of smart meters being made
7	available to LDCs. The AMI is an integrated system of smart meters,
8	communications networks, and data management systems which allow for
9	two-way communication between utilities and customers.
10	(h) The SME has developed and continues to maintain and operate the MDM/R
11	DataMart, a synchronized copy of the MDM/R production database but with
12	24/7 access and extreme speeds, and is used for fulfilling data extract
13	requests, and other ad-hoc queries without impacting the core operations of
14	the MDM/R. The MDM/R DataMart continues to support new and
15	evolving value-added data services, including the following:
16	• the delivery of several custom aggregated reports to assist LDCs with
17	business operations;
18	• the MDM/R Data Governance project (an initiative of the SME and the
19	SME Steering Committee, meant to ensure that master and meter data
20	collected from the LDCs and stored in the MDM/R are accurate and
21	mapped correctly, to ensure the highest quality analytics for the LDCs
22	own use, for the OEB and the Independent Electricity System Operator
23	("IESO") and for other third parties in the future); and
24	• data extracts and reports for the IESO, the OEB and the MoE to
25	support planning, forecasting, and policy initiatives.

1	(i) The S	ME Steering Committee (" SSC ") is a consultative body which was
2	origir	nally established under the provisions of the SME/LDC Agreement
3	and co	ontinued to this day under the Terms of Service. It is made up of
4	repres	sentatives from LDCs of various sizes across the province and the
5	SME.	The SSC:
6	•	provides input in the ongoing development of the Terms of Service
7		and the MDM/R manuals and procedures;
8	•	provides input on the SME's provision of MDM/R services and
9		adherence to the committed service levels as prescribed in the
10		Terms of Service;
11	•	considers proposals to amend the Terms of Service from the SME,
12		MDM/R service recipients, or initiated by the SME Steering
13		Committee; and
14	•	participates in consultations as and when requested by the SME,
15		regarding amendments to the MDM/R manuals and procedures.
16	2. During the c	ourse of its current 5-year 2018 to 2022 budget and operating cycle,
17	the SME has consis	tently demonstrated a commitment to operational excellence and
18	efficiency, as evider	nced in the performance reports provided to the OEB quarterly and
19	in numerous stakeł	nolder communications. Ontario's MDM/R is now a mature, reliable
20	system and is one o	of the largest shared service systems in the world supporting
21	Ontario's LDCs and	d nine authorized agents which make use of the MDM/R.
22	3. The SME pro	ovides quarterly reports to the Board on the ongoing operations of
	-	
23	ule MDM/K. The	most recent report, on the fourth quarter 2021, is attached as Exhibit

²⁴ B-4-1 Attachment 1 and an excerpt from this report is below:

Filed: March 31, 2022 Exhibit B Tab 4 Schedule 1 Page 4 of 4

1		The MDM/R production environment remains stable and reliable, processing
2		reads from over 5 million smart meters, for all LDCs in Ontario on a daily basis.
3		The SME continues to respond to and address LDC service requests and support
4		issues in a timely manner. In the fourth quarter of 2021, the MDM/R was
5		operationally stable and met or exceeded service levels for 99.67% of Meter
6		Reads, 100% of billing quantity requests, and 100% of master data updates.
7		
8	4.	Recent key accomplishments and major projects of the SME include:
9		(a) In 2021, the MDM/R Annual CSAE 3416 Audit resulted in a twelfth
10		consecutive year of an unqualified opinion audit with no findings or
11		exceptions.
12		(b) In 2020, the SME completed a significant upgrade of the MDM/R to version
13		Energy IP8.6 to run on the latest platform and provide improved performance
14		and reliability. This was a multi-year project that upgraded the software,
15		replaced the hardware, storage and network infrastructure, upgraded the
16		database, and performed a data migration and conversion of 10 years of
17		data. Despite the pandemic challenges, the project was completed on time
18		and 11% under budget.



Smart Metering Entity (SME) MDM/R Report

4th Quarter 2021 October to December Issue 34.0 - January 31, 2022

Table of Contents

1.	Introduction	2
	Purpose and Contents	2
2.	MDM/R Operation and Processing Performance	3
	MDM/R Performance	3
	LDC Performance	3
	MDM/R Service Levels	3
3.	4 th Quarter key SME Activities	5
	SME Steering Committee (SSC)	5
	SME COVID-19 Response	5
	Smart Metering Charge Application	5
	Third Party Access Application Submission	5
	SME Operational Updates	6
	2021 CSAE-3416 Audit	6
	Energy IP 8.6 Service Pack 9	6
	SME Service Desk tool upgrade	6
4.	Additional Risks and Issues	7
5.	Other Opportunities and Next Steps	7

1. Introduction

Purpose and Contents

The purpose of this report is to provide a quarterly update to the Ontario Energy Board on the ongoing operations of the Meter Data Management and Repository (MDM/R).

More information about the provincial Smart Metering Initiative and the MDM/R is available on the IESO/SME website (<u>http://www.ieso.ca/sector-participants/smart-metering-entity</u>), the Ontario Energy Board website (<u>https://www.oeb.ca</u>), and the Ministry of Energy website (<u>https://www.ontario.ca/page/ministry-energy</u>).

Each section of this report provides updates as required by the Ontario Energy Board in connection with the MDM/R operations and performance, service level attainment, initiatives and software testing, as well as risks and issues.

This report includes the following updates:

- MDM/R Operation and Processing Performance
- MDM/R Performance
- LDC Performance
- MDM/R Service Levels
- 4th Quarter Key SME Activities
- Additional Risks and Issues, and
- Other Opportunities and Next Steps

2. MDM/R Operation and Processing Performance

MDM/R Performance

The MDM/R production environment remains stable and reliable, processing reads from over 5 million smart meters, for all LDCs in Ontario on a daily basis. The SME continues to respond to, and address, LDC service requests and support issues in a timely manner.



In the fourth quarter of 2021, the MDM/R was operationally stable and met or exceeded service levels for 99.67% of Meter Reads, 100% of Billing Quantity requests, and 100% of Master Data updates.

LDC Performance

The SME produces monthly performance metrics reports, daily-summarized operational data, and a customized LDC Action Items list for each LDC through the MDM/R Service Desk tool. Overall, the quality of the underlying data submitted by LDCs improved slightly during the fourth quarter which lead to a small rise in the number of successful billing responses. The SME continues to work with LDCs to review their LDC Action Items and improve the quality of their data in the MDM/R.

MDM/R Service Levels

The Service Level Performance Chart presents two summary levels:

I. Critical Service Level Summary

The Critical Service Level Summary section includes processing metrics for Automatic Meter Read Processing, Billing Quantity Response Processing, Automatic MMD Incremental Synchronization Processing, MDM/R Graphical User Interface, Meter Read Retrieval Web Services, Reporting, Vendor Service Desk Incident Response, and Vendor Service Desk Service Requests.

II. Non-Critical Service Level Summary

The Non-Critical Service Level Summary section includes processing metrics for Meter Read Retrieval Web Services, MDM/R Availability, and Service Requests. The table also includes a Service Level breakdown for each month along with a quarterly summary¹.

¹ Percentages are rounded to the second decimal place for each metric.

In the fourth quarter, the SME met all the critical and non-critical service levels as shown in the tables below:

Critical	Service Level Summary	Oct-2021	Nov-2021	Dec-2021	4th Quarter
Automatic Meter Read	Intervals Loaded	3,967,126,679	3,842,965,467	3,965,789,958	11,775,882,104
Processing	Intervals Loaded on Time	3,966,586,988	3,836,497,354	3,933,716,127	11,736,800,469
	% Intervals Loaded on Time	99.99%	99.83%	99.19%	99.67%
	Number of incidents resulting in accumulated delay >240 minutes ²	0	0	0	0
Automatic Billing	BQ Requests	5,284,122	9,154,703	5,739,871	20,178,696
Quantity Processing	BQ Requests Fulfilled on Time	5,284,122	9,154,703	5,739,871	20,178,696
	% Requests Fulfilled on Time	100.00%	100.00%	100.00%	100.00%
	Number of incidents resulting in accumulated delay >240 minutes ²	0	0	0	0
Automatic MMD	Data Elements Requested	901,495	897,700	568,861	2,368,056
ncremental	Data Elements Loaded on Time	901,495	897,700	568,861	2,368,056
Synchronization	% Data Elements Loaded on Time	100.00%	100.00%	100.00%	100.00%
Processing	Number of incidents resulting in Data Elements loaded outside of agreed Service Level target ²	0	0	0	0
MDM/R Graphical User	Availability	100.00%	99.99%	100.00%	100.00%
Interface	Number of incidents resulting in MDM/R Graphical User Interface availability outside of agreed Service Level target ²	0	0	0	0
Meter Read Retrieval	Availability	99.98%	99.99%	99.99%	99.99%
Web Services Number of incidents resulting in Meter Read Retrieval Web Services availability outside of agreed Service Level target		0	0	0	0
Reporting	Percentage completed on time	99.25%	99.99%	98.26%	99.17%
	Number of incidents resulting in Reporting percentage completion outside of agreed Service Level target	0	0	0	0
Vendor Service Desk	Response Time	100.00%	100.00%	100.00%	100.00%
Incident Response Number of incidents resulting in Vendor Service Desk Incident Response Time outside of agreed Service Level target		0	0	0	0
Vendor Service Desk Resolution Time		100.00%	100.00%	100.00%	100.00%
Service Requests	Number of incidents resulting in Vendor Service Desk Request resolution time outside of agreed Service Level target	0	0	0	0

Non-Crit	ical Service Level Summary	Oct-2021	Nov-2021	Dec-2021	4th Quarter
Meter Read Retrieval	Response Time	99.77%	99.84%	99.79%	99.80%
Web Services Number of incidents resulting in Meter Read Retrieval Web Services response time outside of agreed Service Level target		0	0	0	0
MDM/R Availability	Availability	99.72%	100.00%	100.00%	99.91%
	Number of incidents resulting in MDM/R Availability outside of agreed Service Level target	1	0	0	1
Service Requests	Resolution Time	100.00%	100.00%	100.00%	100.00%
	Number of incidents resulting in Service Requests resolution time outside of agreed Service Level target	0	0	0	0

3. 4th Quarter key SME Activities

SME Steering Committee (SSC)

The SSC met on December 2nd to discuss the following topics:

- Energy IP Service Pack 9 deployment and testing
- LDC Mergers and CIS Replacements/Upgrades
- 6th Annual LDC Event Review and Feedback
- Data Governance
- Third Party Access Application Submission
- Smart Metering Charge Application
- Data Excellence Program
- 2021 CSAE-3416 Audit
- GridEx VI Update

The SSC dedicated significant time to discuss matters of MDM/R data quality submissions and the LDCs engagement in addressing such issues, with some important next steps that the SSC and the SME will continue to collaborate on during 2022.

The next SSC meeting is scheduled for February 2nd, 2022.

SME COVID-19 Response

In Q4 2021, IESO employees began a hybrid work model and started working in the office a minimum of two days a week. However, just before the Christmas holidays and in response to the Province moving to a modified stage 2, employees returned to working from home. The SME and the OSP continue to demonstrate the capability to maintain and administer all systems remotely while effectively providing uninterrupted service. Once the province re-opens, the IESO is planning to resume the hybrid work model.

Smart Metering Charge Application

In Q4 the SME started preparing for its Smart Metering Charge Application as the current charge is effective to the end of December 2022. The Application is expected to be completed and submitted by the end of Q1 2022.

Third Party Access Application Submission

On October 29th the IESO submitted its application to the OEB. Case Number EB-2021-0292 was assigned and a notice was issued on November 16th, 2021. The detailed application can be found here: (https://www.oeb.ca/participate/applications/current-major-applications/eb-2021-0292).

The following parties sought intervenor status in the application: BOMA (Buildings Owners and Managers Association), CCC (Consumers Council of Canada), EDA (Electricity Distributors Association), Energy Probe, OSEA (Ontario Sustainable Energy Association) and VECC (Vulnerable Energy Consumer Coalition).

The next steps will follow the OEB's adjudication process, as posted.

Smart Metering Analytics & Reporting

The SME's Data and Analytics team continues to provide the OEB with monthly statistics on the uptake of the Tiered pricing option, by LDC. Trending wise, we continue to see a slight increase across the province, month over month, with the December average sitting at approximately 5.5%. The SME noticed significant variations in uptake between LDCs, ranging from 1.6% to 12.8%.

With the introduction of the new global off-peak pricing of \$0.082/kWh, from January 18th through to February 7th, 2022, we will once again provide the LDCs with their own consumption reports, on request (via the SME's Service Desk), while continuing to track and report the Tiered pricing uptake during this pricing change.

SME Operational Updates

2021 CSAE-3416 Audit

In Q4, PricewaterhouseCoopers LLP (PwC) completed the 2021 annual MDM/R CSAE3416 Audit, with a final audit report was issued on November 15th, 2021. This marks the 12th consecutive year of a "clean audit" for the MDM/R. The Audit report and the respective Bridge letter are available to the LDCs upon request, through the SME's Service Desk.

Energy IP 8.6 Service Pack 9

On December 4th, the SME deployed Energy IP 8.6 Service Pack 9. The deployment process went well and was seamless to LDCs. This service pack addressed any outstanding defects identified after the 2020 MDM/R eIP 8.6 upgrade. An update to MDM/R web services, expected to be deployed with Service Pack 9, was postponed at the request of an agent who manages web services for several LDCs in the province. The SME deployed the MDM/R web services update in early January 2022.

SME Service Desk tool upgrade

On October 25th the SME performed its annual upgrade of the SME Service Desk tool. The upgrade had no impact on LDCs operations.

4. Additional Risks and Issues

There are no additional risks or issues at this time.

5. Other Opportunities and Next Steps

There are no other opportunities at this time.

Filed: March 31, 2022 Exhibit B Tab 4 Schedule 1 Attachment 1 9 of 9

Independent Electricity System Operator

1600-120 Adelaide Street West Toronto, Ontario M5H 1T1

Phone: 905.403.6900 Toll-free: 1.888.448.7777 E-mail: <u>customer.relations@ieso.ca</u>

ieso.ca

@IESO_Tweets facebook.com/OntarioIESO linkedin.com/company/IESO

Filed: March 31, 2022 Exhibit B Tab 5 Schedule 1 Page 1 of 2

1		DEFINITIONS USED
2	AMI:	Advanced Metering Infrastructure
3	Board:	Ontario Energy Board
4	BVA:	Balancing Variance Account
5	CIS:	LDC's Customer Information Systems
6	Electricity Act:	Electricity Act, 1998
7	FTEs	Full time equivalents
8 9 10	Historical SME debt:	The \$100.1 million of unrecovered MDM/R build costs accumulated as debt prior to the first approved SMC recovery period
11	IESO:	Independent Electricity System Operator
12	LDC:	Local distribution company
13 14 15	Low volume consumers:	Residential and general service <50kw customers with smart meters served by LDCs that utilize the services of the MDM/R
16	MDM/R:	Meter Data Management Repository
17	MoE:	Ministry of Energy
18	OEB:	Ontario Energy Board
19	OEB Act:	Ontario Energy Board Act, 1998
20	ORBA:	Operating Reserve Balancing Account
21	OSP:	Operational Service Provider
22 23	Prior SMC application:	The 2018 to 2022 Smart Meter Charge application (EB-2017-02900
24 25	Prior SMC decision:	Decision and Order on the 2018 to 2022 SMC application (EB-2017-0290)
26 27	Report:	Annual Cost and Variance Report with the OEB by May 31 each year
	114867166 v2	

Filed: March 31, 2022 Exhibit B Tab 5 Schedule 1 Page 2 of 2

1	SME:	Smart Metering Entity
2	SMI:	Smart Metering Initiative
3	SMC:	Smart Metering Charge
4	SSC:	SME Steering Committee
5	TPA:	Third Party Access
6	Yearbook:	The OEBs Yearbook of Electricity Distributors