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March 31, 2022  
File No.: 101926.1144

**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  
2021 Third Party Access Application  
Ontario Energy Board File No.: EB-2021-0292  
Draft Accounting Order**

On behalf of the Independent Electricity System Operator (“**IESO**”) in its capacity as the Smart Metering Entity (“**SME**”), enclosed please find a clean and redline version of the Draft Accounting Order for the Third-Party Access Variance Account pursuant to the Board’s Decision and Order issued on March 24, 2022.

The proposal was filed through the Board’s RESS portal on March 31, 2022.

Please contact me if you have any questions or concerns about this matter.

Yours truly,



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)*

## **SMART METERING ENTITY ACCOUNTING ORDER**

**EB-2021-0292**

**March 31, 2022**

1. This accounting order is intended to reflect the Ontario Energy Board's Decision and Order in EB-2021-0292 dated March 24, 2022.
2. The Smart Metering Entity ("SME") shall establish the Third-Party Access Variance Account, a sub-account of the Balancing Variance Account ("BVA") as a fourth sub-account of the BVA. Three BVA sub-accounts are currently approved: the Costs Account, the Revenue Account and the Service Levels Credit Account. No carrying charges shall be recorded on these accounts

### **Balancing Variance Account**

The BVA provides a consolidated statement of the three BVA sub-accounts and tracking and reporting on the SME's Operating Reserve, which has been approved at \$2.5 million. The SME shall record and report on the December 31 balance of the BVA for each calendar year. The variance amount shall be reported as of December 31 of each year.

### **Third-Party Access Variance Account**

The SME will record costs associated with fulfilling requests for data access and any revenue generated from requestors, with the exception of requests made by the IESO or the OEB, in the Third-Party Access ("TPA") Variance Account for each calendar year beginning with the partial-year period from the decision approving this account, March 24, 2022, to December 31, 2022. The balance of the TPA Variance Account will be considered for future disposition as part of the BVA.

### **Costs Account**

The SME shall record and report on the difference between the actual costs incurred and the annual forecast budget costs in the Revenue Requirement for each calendar year in the period from January 1 to December 31. The variance amount shall be the annual variance reported as of December 31 of each year. The reported total actual costs incurred will be reconciled to the audited financial statements of the IESO that include the actual costs incurred by the SME

### **Revenue Account**

The SME shall record and report on the difference between the actual revenues accrued and the forecast budget revenues for each calendar year in the period from January 1 to December 31. The variance amount (i.e., revenue surplus or deficiency) shall be the annual variance reported as of December 31 of each year.

### **Service Level Credits Account**

The SME shall record and report on the amount of reduction in fees or recovered amounts (herein referred to as "credits") in relation to failure or breach resulting in a reduction of the fees payable to the Operational Service Provider by the SME or any amount recovered from the Operational Service provider in respect of any such failure or breach.

3. The SME shall maintain records to substantiate the balances reported in each account. The SME shall provide reconciliations of SME's actual cost, revenues and service level credits to IESO's annual audited financial statements to support the variances reported in each account. An annual report providing the final year-end balances in the BVA, each of the four BVA sub-accounts and an explanation of the balances in the accounts shall be sent to all Parties to EB-2017-0290, EB-2021-0292 and OEB Staff by April 30<sup>th</sup>. Within 10 days of the report being sent by the SME Parties and OEB Staff may ask the SME questions on the balances within the BVA and the BVA sub-accounts and any explanations provided in the report and the SME will respond to these.
4. The SME shall, annually on or before May 31<sup>st</sup>, report to the Ontario Energy Board the balances in the BVA and each of the BVA sub-accounts:
  - a the Third-Party Access Variance Account,
  - b the Costs Account,
  - c Revenue Account and
  - d Service Level Credits Account.

This report will include a table substantially in the form attached as Appendix "A" to this Accounting Order. The report will provide the SME's budgeted and actual costs for the prior calendar year, the SME's budgeted and actual revenue for the prior calendar year, and an explanation for any material divergence.

5. The report will include a description as to whether the year-end balance in the BVA exceeds \$2.5 million and would result in a rebate of \$0.05 per meter or greater if rebated to customers, including the amount of the rebate per meter. Any rebate will be administered two months after the SME files the annual report with the OEB on May 31<sup>st</sup> unless the OEB provides alternative direction prior to the rebate being processed.

# SMART METERING ENTITY ACCOUNTING ORDER

EB-2021-0292

March xx, 2022

1. This accounting order is intended to reflect the Ontario Energy Board's Decision and Order in EB-2021-0292 dated March 24, 2022.
2. The Smart Metering Entity ("SME") shall establish [the Third-Party Access Variance Account, a sub-account of](#) the Balancing Variance Account ("BVA") [as a fourth sub-account of the BVA. Three BVA sub-accounts are currently approved](#) ~~effective as of January 1, 2018 and continue the three BVA sub-accounts~~: the Costs Account, the Revenue Account and the Service Levels Credit Account. No carrying charges shall be recorded on these accounts

## Balancing Variance Account

The BVA provides a consolidated statement of the three BVA sub-accounts and tracking and reporting on the SME's Operating Reserve, which has been approved at \$2.5 million. The SME shall record and report on the December 31 balance of the BVA for each calendar year ~~in the period from January 1, 2017 to December 31, 2021~~. The variance amount shall be reported as of December 31 of each year.

## [Third-Party Access Variance Account](#)

[The SME will record costs associated with fulfilling requests for data access and any revenue generated from requestors, with the exception of requests made by the IESO or the OEB, in the Third-Party Access \("TPA"\) Variance Account for each calendar year beginning with the partial-year period from the decision approving this account, March 24, 2022, to December 31, 2022. The balance of the TPA Variance Account will be considered for future disposition as part of the BVA.](#)

## Costs Account

The SME shall record and report on the difference between the actual costs incurred and the annual forecast budget costs in the Revenue Requirement for each calendar year in the period from January 1, ~~2017~~ to December 31, ~~2021~~. The variance amount shall be the annual variance reported as of December 31 of each year. The reported total actual costs incurred will be reconciled to the audited financial statements of the IESO that include the actual costs incurred by the SME

## Revenue Account

The SME shall record and report on the difference between the actual revenues accrued and the forecast budget revenues for each calendar year in the period from January 1, ~~2017~~ to December 31, ~~2021~~. The variance amount (i.e., revenue surplus or deficiency) shall be the annual variance reported as of December 31 of each year.

### **Service Level Credits Account**

The SME shall record and report on the amount of reduction in fees or recovered amounts (herein referred to as "credits") in relation to failure or breach resulting in a reduction of the fees payable to the Operational Service Provider by the SME or any amount recovered from the Operational Service provider in respect of any such failure or breach, ~~on or after January 1, 2018.~~

3. The SME shall maintain records to substantiate the balances reported in each account. The SME shall provide reconciliations of SME's actual cost, revenues and service level credits to IESO's annual audited financial statements to support the variances reported in each account. An annual report providing the final year-end balances in the BVA, each of the four BVA sub-accounts and an explanation of the balances in the accounts shall be sent to all Parties to EB-2017-0290, [EB-2021-0292](#) and OEB Staff by April 30<sup>th</sup>. Within 10 days of the report being sent by the SME Parties and OEB Staff may ask the SME questions on the balances within the BVA and the BVA sub-accounts and any explanations provided in the report and the SME will respond to these.
4. The SME shall, annually on or before May 31<sup>st</sup>, report to the Ontario Energy Board the balances in the BVA and each of the BVA sub-accounts:
  - a the Third-Party Access Variance Account,
  - b the Costs Account,
  - c Revenue Account and
  - d Service Level Credits Account.

This report will include a table substantially in the form attached as Appendix "A" to this Accounting Order. The report will provide the SME's budgeted and actual costs for the prior calendar year, the SME's budgeted and actual revenue for the prior calendar year, and an explanation for any material divergence.

5. The report will include a description as to whether the year-end balance in the BVA exceeds \$2.5 million and would result in a rebate of \$0.05 per meter or greater if rebated to customers, including the amount of the rebate per meter. Any rebate will be administered two months after the SME files the annual report with the OEB on May 31<sup>st</sup> unless the OEB provides alternative direction prior to the rebate being processed.