



**The Independent Electricity System Operator, in its
capacity as the Smart Metering Entity**

**Application for approval of a Smart Metering Charge for
the years 2023 to 2027 and related matters**

PROCEDURAL ORDER NO. 1

May 13, 2022

The Independent Electricity System Operator, in its capacity as the Smart Metering Entity (IESO/SME), filed an application with the Ontario Energy Board (OEB) on March 31, 2022, under subsections 27(7), 78(2.1), (3.0.1), (3.0.2) and (3.0.3) of the *Ontario Energy Board Act, 1998*, Ontario Regulation 453/06 made under the *Ontario Energy Board Act, 1998* and subsection 53.8(8) of the *Electricity Act, 1998* (Application). The Application seeks OEB approval for the following:

- A Smart Metering Charge of \$0.43 per meter per month, for residential and general service less than 50kW customers, to be charged to each electricity distributor for a 5-year period, beginning January 1, 2023, to December 31, 2027
- A revenue requirement of \$137.5 million for the period 2023 to 2027
- To establish the Operating Reserve Balancing Account and to discontinue the Balancing Variance Account and its associated sub-accounts, beginning January 1, 2023
- An operating reserve of up to \$2.5 million in the Operating Reserve Balancing Account
- To continue the practice of sharing a draft of the annual Cost and Variance Report by April 30 of each year and filing a final version of the report with the Ontario Energy Board by May 31 of each year
- To dispose of any surplus balance in the Operating Reserve Balancing Account based on certain conditions.

A Notice of Hearing was issued on April 14, 2022. The following parties applied for intervenor status:

- Consumers Council of Canada (CCC)
- The Electricity Distributors Association (EDA)

- Energy Probe Research Foundation (Energy Probe)
- Environmental Defence Canada Inc. (Environmental Defence)
- Niagara-on-the-Lake Hydro Inc. (Niagara-on-the-Lake Hydro)
- Vulnerable Energy Consumers Coalition (VECC)

No objection was received from the IESO/SME.

CCC, EDA, Energy Probe, Environmental Defence, Niagara-on-the-Lake Hydro and VECC are approved as intervenors. CCC, Energy Probe, Environmental Defence and VECC are eligible to apply for an award of costs under the OEB's [Practice Direction on Cost Awards](#).

Parties should not engage in detailed exploration of items that do not appear to be material. In making its decision on cost awards, the OEB will consider whether cost eligible intervenors made reasonable efforts to ensure that their participation in the proceeding was focused on material issues. Cost eligible intervenors should also be aware that the OEB will not generally allow the recovery of costs for the attendance of more than one representative of any party unless a compelling reason is provided when cost claims are filed.

The list of parties in this proceeding is attached as Schedule A to this Procedural Order.

Issues List

The IESO/SME has filed a draft issues list. The OEB is making provision for submissions on the draft issues list, attached as Schedule B to this Procedural Order. The OEB Panel will determine the final issues list prior to the filing of interrogatories.

Interrogatories

The OEB is also making provision for written interrogatories. Parties should consult sections 26 and 27 of the OEB's [Rules of Practice and Procedure](#) regarding required naming and numbering conventions and other matters related to interrogatories.

Settlement Conference

The OEB is also making provision for a settlement conference. Following the settlement conference, the OEB is making provision for the filing of letters informing the OEB of the status of the settlement discussions, submissions if there is no settlement and the filing of a settlement proposal by the IESO/SME, if any. Following the filing of any settlement proposal, the OEB may make provision for the presentation of the settlement proposal.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Any submissions by OEB staff and intervenors on the draft issues list in Schedule B shall be filed with the OEB and served on all parties by **May 24, 2022**.
2. The IESO/SME may respond to the submissions of intervenors and OEB staff and all other parties may respond to the submissions of the other parties. The written submissions shall be filed with the OEB and served on all parties by **May 31, 2022**.
3. OEB staff and intervenors shall request any relevant information and documentation from the IESO/SME that is in addition to the evidence already filed, by written interrogatories filed with the OEB and served on all parties by **June 10, 2022**.
4. The IESO/SME shall file with the OEB complete written responses to all interrogatories and serve them on all intervenors by **June 30, 2022**.
5. A settlement conference among the parties and OEB staff will be convened on **July 20, 2022**, starting at 9:30 a.m. If necessary, the settlement conference will continue on **July 21, 2022**. Information on how to participate in the conference will be provided at a later date.
6. **Within 48 hours** of the conclusion of the settlement conference, the IESO/SME shall file a letter informing the OEB of the status of the settlement discussions including whether a tentative agreement had been reached or if the parties propose to continue the settlement discussions.
7. If there is no settlement proposal arising from the settlement conference, the IESO/SME shall file a statement to that effect with the OEB by **July 28, 2022**. In that event, parties shall file and serve on the other parties by **August 4, 2022**, any submissions on which issues shall be heard in writing, and for which issues the OEB should hold an oral hearing.
8. If there is a settlement, any settlement proposal arising from the settlement conference shall be filed with the OEB on or before **August 8, 2022**. In addition to outlining the terms of any settlement, the settlement proposal should contain a list of any unsettled issues, indicating with reasons whether the parties believe those issues should be dealt with by way of oral or written hearing.

9. Any submission from OEB staff on a settlement proposal shall be filed with the OEB and served on all parties by **August 17, 2022**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2022-0137** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Michael Bell at Michael.Bell@oeb.ca and OEB Counsel, Ian Richler at Ian.Richler@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, **May 13, 2022**

ONTARIO ENERGY BOARD

By delegation, before: Nancy Marconi

Nancy Marconi
Registrar

SCHEDULE A
PROCEDURAL ORDER NO. 1
INDEPENDENT ELECTRICITY SYSTEM OPERATOR
EB-2022-0137
APPLICANT & LIST OF INTERVENORS

Independent Electricity System Operator
EB-2022-0137

APPLICANT & LIST OF INTERVENORS

May 13, 2022

APPLICANT

Rep. and Address for Service

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Independent Electricity System Operator
EB-2022-0137

APPLICANT & LIST OF INTERVENORS

May 13, 2022

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Independent Electricity System Operator
EB-2022-0137

APPLICANT & LIST OF INTERVENORS

May 13, 2022

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Independent Electricity System Operator
EB-2022-0137

APPLICANT & LIST OF INTERVENORS

May 13, 2022

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SCHEDULE B
PROCEDURAL ORDER NO. 1
INDEPENDENT ELECTRICITY SYSTEM OPERATOR
EB-2022-0137
DRAFT ISSUES LIST

Draft Issues List EB-2022-0137

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 filing of the SME's annual report with the Board on April 30th appropriate?