

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

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

May 26, 2022

By Email and RESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Nancy Marconi, Registrar

Dear Ms. Marconi:

**Re: Independent Electricity System Operator / Smart Metering Entity 2023 to
2027 Smart Metering Charge Application Responding Submissions on the
Proposal Issues List**

These are the responding submissions of the Independent Electricity System Operator (“**IESO**”) in its capacity as the Smart Metering Entity (“**SME**”) on the proposed issues list. Submissions on the SME’s proposed issues were received from Board staff, Niagara-on-the-Lake Hydro (“**NOTL Hydro**”) and the Electricity Distributors Association (“**EDA**”). The Consumers Council of Canada, Environmental Defence, Energy Probe and Vulnerable Energy Consumers Coalition had no comments on or suggested alterations to the proposed issues list.

The SME has addressed the comments from each of Board staff, NOTL Hydro and the EDA below.

- The SME accepts the additional issue proposed by Board staff related to forecast staffing levels (“Are the forecast staffing levels appropriate and reasonable?”).
- The SME submits that the additional issue proposed by NOTL Hydro (“Should the Smart Meter Entity perform a customer satisfaction survey?”) should not be included in the issues list. NOTL Hydro has not provided any rationale or support for this proposed issue. It is not clear to the SME what the purpose, if any, of such a survey would be or how such a survey would assist the Board in its decision-making related to this application.
- With respect to the comments made by the EDA:
 - The EDA has proposed an amendment to the language of issue 1 (“Is the Smart Metering Entity’s (SME) proposed \$137.5M revenue requirement for the period January 1, 2023, to December 31, 2027, appropriate for the type and level of activities that the SME will perform?”). The IESO does not understand the purpose of the proposed amendment and does not believe the amendment provides additional clarity. The SME is seeking approval for the proposed budget over the January 1, 2023, to December 31, 2027 period to fulfill its statutory objects under the *Electricity Act, 1998* as detailed in the application.
 - The EDA has proposed amended language to proposed issue 5 (“Is the SME’s forecast of installed smart meters in the 2023-2027 period based on appropriate data and a sound methodology?”). While the IESO does not object to this proposal, the

Stikeman Elliott

SME notes that its forecast is based on the number of smart meters reported to the Ontario Energy Board by distributors and published annually by the Board in its *Yearbook of Electricity Distributors*.

- The EDA has proposed the addition of two new issues related to the SME's Third Party Access ("TPA") program ("What Third-Party Access activities will the SME carry out in 2023 - 2027 and are the associated costs appropriately included in the SME's proposed \$137.5M revenue requirement for that period?" and "What are the financial consequences of the SME charging Canadian governmental entities \$145/hour to perform TPA activities? Is the SME's proposed accounting, and recording of the proposed Operating Reserve Balancing Account, appropriate?"). The SME opposes the addition of these two issues to this proceeding. The TPA program, including its associated costs, was the subject of a recent application by the SME (EB-2021-0292) in which a settlement was reached by all parties, including the EDA, and approved by the Board on March 24, 2022. The Board-approved settlement included a provision that specifically provided for the tracking of costs and revenues associated with the TPA program:

The Parties agree that the SME will track costs associated with fulfilling requests for data access and any revenue generated from requestors in a new variance sub-account to the SME Balancing Variance Account ("BVA") to be called the "TPA Variance Account". The balance of the TPA Variance Account will be considered for future disposition as part of the BVA. It is the parties' expectation that the information with respect to actual costs will be made available in a future SME application.

The SME sees no value in adding these issues to the current proceeding given the approved settlement in EB-2021-0292. The SME addressed the implementation of the TPA Variance Account in its application (Exhibit B, Tab 3, Schedule 1, page 3).

We look forward to the issuance of the approved issues list.

Yours truly,



Patrick G. Duffy

PGD/sb

- cc. Julie Girvan, *Consultant, Consumers Council of Canada*
 Brittany Ashby, *Senior Regulatory Affairs Advisor, Electricity Distributors Association*
 Kathi Farmer, *Senior Regulatory Affairs Advisor, Electricity Distributors Association*
 Ted Wigdor, *Vice President, Electricity Distributors Association*
 Tom Ladanyi, *TL Energy Regulatory Consultants Inc.*
 Jack Gibbons, *Ontario Clean Air Alliance*
 Kent Elson, *Elson Advocacy*
 Amanda Montgomery, *Elson Advocacy*
 Tim Curtis, *President, Niagara-on-the-Lake Hydro Inc.*
 John Lawford, *Counsel, Public Interest Advocacy Centre*
 Mark Garner, *Consultant - Project Manager*