



EB-2007-0750

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF an application by the
Independent Electricity System Operator for the
Smart Metering Entity licence.

BEFORE: Pamela Nowina
Presiding Member and Vice-Chair

Paul Vlahos
Member

DECISION AND ORDER

Background

The Independent Electricity System Operator (the “IESO” or the “Applicant”) was designated as the Smart Metering Entity (“SME”) by Ontario Regulation 393/07 made under the *Electricity Act, 1998*. Section 57 of the *Ontario Energy Board Act, 1998* (the “Act”) requires the SME to be licensed to exercise its powers or perform its duties under the *Electricity Act, 1998*.

The IESO filed an application on September 4, 2007 with the Ontario Energy Board (the “Board”) under section 60 of the Act for the SME licence. The Applicant requested that the SME licence be issued on or before September 14, 2007 as this was the date it intended to begin the initial cutover to production operations. The Board assigned file number EB-2007-0750 to the application.

Section 5.4.1 of the Distribution System Code requires electricity distributors to enter into an agreement with the SME (the “Agreement”) upon being requested to do so, in a form approved by the Board.

- 2 -

In its September 4, 2007 application for the SME licence, the Applicant stated that the Agreement was under development and was likely to be submitted to the Board by the end of September 2007.

On September 14, 2007, the Board issued its Notice of Application and an interim order granting the IESO a temporary SME licence. The temporary SME licence was set to terminate on January 31, 2008 or the date of the Board's final decision on the SME Licence application, whichever was earlier. Furthermore, the Board decided and advised all parties in the proceeding that it would take no further action in the proceeding until the SME filed the Agreement with the Board.

As requested by the Applicant, the term of the temporary SME licence was amended and extended twice by the Board, first to June 1, 2008 and then to September 30, 2008.

The extension requests were granted by the Board in order to allow the Applicant to continue exercising the SME's powers and/or performing the SME's duties while spending additional time on stakeholder consultation on outstanding issues regarding the development of the Agreement.

By letter dated September 11, 2008, the IESO applied to the Board for a further extension of the term of its temporary SME licence until the earlier of December 31, 2008 or the Board's final decision on the SME licence application. The Applicant stated that it is planning to meet with electricity distributors that are currently installing smart meters for the purpose of reviewing and updating the Agreement. The Applicant further stated that it anticipates to file the Agreement with the Board as part of its licence application "by early to mid October".

The Applicant submitted that no other person will be adversely affected in a material way by the extension of its temporary SME licence and requested that the Board issue the extension without a hearing.

Board Findings

The Board recognizes that the temporary SME licence will expire prior to the final determination of the SME licence application and that the Applicant will require an extension to its temporary SME licence to continue exercising the SME's powers or performing the SME's duties.

- 3 -

The Board acknowledges that the Applicant is seeking an order of the Board to extend the term of the temporary SME Licence until December 31, 2008. However, considering the anticipated date for filing the Agreement and the time required to process an application in accordance with the Board's established practice and procedures, the Board finds that it is in the public interest to extend the term of the temporary SME Licence until March 31, 2009 or the date on which the Board makes a final determination in proceeding EB-2007-0750, whichever is earlier.

The Board has determined that no other person will be adversely affected in a material way by the issuance of the interim order. Accordingly, the Board has decided to issue the interim order without a hearing.

IT IS THEREFORE ORDERED THAT:

The term of the temporary SME Licence (ES-2007-0750) is extended until March 31, 2009 or the date on which the Board makes a final determination in proceeding EB-2007-0750, whichever is earlier.

DATED at Toronto, September 23, 2008

ONTARIO ENERGY BOARD

Original signed by

John Pickernell
Assistant Board Secretary