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ONTARIO ENERGY BD

**BY E-MAIL**

March 3, 2009

File No. 101926.1050

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

Dear Ms. Walli:

**Re: Request for Further Extension of Temporary Smart  
Metering Entity License  
*Application for the Smart Metering Entity Licence*  
EB-2007-0750**

The Independent Electricity System Operator (the "IESO") requests an extension of the temporary Smart Metering Entity ("SME") license granted to the IESO by the Ontario Energy Board (the "Board") in its order dated September 23, 2008. The temporary license is currently set to expire on March 31, 2009. The IESO is seeking an extension until the earlier of September 30, 2009 or the Board's final decision on the SME licence application.

Throughout 2008, the IESO engaged in discussions with representatives from local distributions companies ("LDCs") on the terms of an SME/LDC Agreement. In parallel with these consultations, the Electricity Distributors Association ("EDA") met with the Ministry of Energy and Infrastructure staff to develop an SME governance model that would provide a more prominent role for the LDCs. As the EDA recently advised its members in December 2008, representatives of the EDA met with the IESO to discuss the preparations necessary for the transition of the SME to the new governance structure. The EDA and IESO have established a series of orientation sessions for the LDC representatives of the five EDA members in preparation for their role in the transition process.

Given the anticipated transition to a new governance structure for the SME, the IESO is not yet in a position to file a proposed SME/LDC Agreement for Board review as part of its license application, and as

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contemplated under section 5.4 of the *Distribution System Code*. Meanwhile the IESO will keep Board staff advised as to the status of the transition process.

Accordingly, the IESO respectfully requests that the Board further extend its temporary SME license pursuant to subsection 21(7) of the *Ontario Energy Board Act, 1998* until the earlier of September 30, 2009 or the Board's final decision on the SME licence application.

The IESO believes that no other party will be adversely affected in a material way by the further extension of its temporary SME license and requests the Board issue the extension without a hearing.

Yours truly,



Patrick G. Duffy  
Counsel for the Independent  
Electricity System Operator

cc: Helen Lainis, Independent Electricity System Operator  
Peter Vivian, Vivian Associates  
Nola L. Ruzycki, Ontario Energy Savings L.P.  
Glen MacDonald, Hydro One Networks Inc.  
Coalition of Large Distributors  
Kevin Mackenzie, Electricity Distributors Association  
Christine Dade, Direct Energy