

# Appendix A: IESO Proposal for Terms and Conditions for SME Licence



## Smart Metering Entity Licence

Issued to:

**Independent Electricity System Operator**

**E?-2007-XXXX**

Valid Until

**December 31, 2011**

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**Date of Issuance: September 14, 2007**

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## **SMART METERING ENTITY LICENCE**

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## SMART METERING ENTITY LICENCE

### 1 Definitions

In this Licence:

“**Act**” means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

“**Electricity Act**” means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

“**Licensee**” means the smart metering entity established under Part IV.2 of the *Electricity Act*

“**Smart Metering Agreement with Distributors**” means the agreement between the Independent System Operator and licensed distributor setting out the respective roles and responsibilities of the distributor and the Smart Metering Entity in relation to metering and information required to be exchanged to allow for the conduct of their respective roles and responsibilities.

“**Regulations**” means regulations made under the *Act* or the *Electricity Act*;

“**Smart Metering Entity**” means the smart metering entity established under Part IV.2 of the *Electricity Act* and the Independent Electricity System Operator (the “IESO”) being designated the Smart Metering Entity as prescribed by Ontario Regulation 393/07.

### 2 Interpretation

- 2.1 In this Licence words and phrases shall have the meaning ascribed to them in the *Act* or the *Electricity Act*. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of the licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this Licence, where there is a reference to a number of days between events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens. Where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

### 3 Authorization Granted under this Licence

- 3.1 The Board, in the exercise of the powers conferred under Part V of the *Act*, authorizes the Licensee to engage in activities that constitute the Smart Metering Entity’s statutory objects and powers, including any activities referred to in section 53.8 of the *Electricity Act* and that the Licensee may, by regulation, be granted the exclusive authority to conduct, subject to the conditions set out in this Licence or, orders of the Board.
- 3.2 The Licensee shall enter into an agreement with the distributors, in a form approved by the Board, which sets out the roles and responsibilities of the distributor and the Licensee in relation to metering and the information required to be exchanged to allow for the conduct of these respective roles and responsibilities.

### 4 Licence Fees and Assessments

- 4.1 The Licensee shall pay any fees charged by the Board or amounts assessed by the Board.

## **5 Legislation and Regulations**

- 5.1 The Licensee shall comply with all applicable provisions of the *Act*, the *Electricity Act*, and the Regulations.

## **6 Term of Licence**

- 6.1 This Licence shall take effect on September 14, 2007 and terminate December 31, 2011.

## **7 Provision of Information to the Board**

- 7.1 The Licensee shall provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 7.2 Without limiting the generality of paragraph 8.1, the Licensee shall, unless it is otherwise required as an other condition of this Licence:
- (a) provide such information as the Board may require from time to time to enable the Board to monitor the Licensee's compliance with the conditions of this Licence and any other legislative or regulatory requirements that are set out in this Licence;
  - (b) notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the Licensee's ability to comply with this Licence, its financial integrity, or its ability to carry out its responsibilities as the Smart Metering Entity under the *Electricity Act*, as soon as practicable, but in any event within twenty business days of the date upon which such change becomes known to the Licensee; and
  - (c) provide the Board with a description of any processes established by the Licensee under section 53.14 of the *Electricity Act* and of any changes to such processes.

## **8 Rates**

- 8.1 The Licensee may impose rates to recover the costs of its activities as Smart Metering Entity in accordance with an order of the Board, or as permitted by law.

## **9 Separation of Business Activities**

- 9.1 The Licensee shall keep financial records associated with its activities as Smart Metering Entity separate from its financial records associated with directing the operations of the IESO-controlled grid and operating the IESO-administered markets.
- 9.2 Unless otherwise provided by law, the Licensee may establish and maintain, in accordance with the direction or orders of the Board where applicable, such variance accounts as may be necessary to record all amounts payable or receivable by it as Smart Metering Entity under the *Act* or the *Electricity Act*.

## **10 Non-Discriminatory Access**

- 10.1 The Licensee shall provide and promote non-discriminatory access, on appropriate terms and subject to any conditions in its licence relating to the protection of privacy, by

distributors, retailers, the OPA and other persons to the (i) information and data related to the metering of consumers' consumption or use of electricity in Ontario.

## **11 Restrictions on Provision of Information**

- 11.1 Subject to compliance with applicable privacy legislation, any information that is collected, managed or stored by the Licensee may be disclosed without authorization where the information has been sufficiently aggregated or is otherwise presented such that the individual or entity to which the information relates cannot reasonably be identified.

## **12 Dispute Resolution**

- 12.1 The Licensee shall establish a process for resolving disputes with distributors and other persons that deals with disputes in a fair and reasonable manner.

## **13 Communication**

- 13.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.
- 13.2 All communication related to this Licence must be in writing.
- 13.3 All communication is to be regarded as having been given by the sender and received by the addressee:
- (a) when delivered in person to the addressee by hand, by registered mail or by courier;
  - (b) five (5) business days after the date of posting if the communication is sent by regular mail; and
  - (c) when sent to the addressee by electronic transmission, including facsimile or electronic mail, according to the sender's transmission report.

## **14 Copies of the Licence**

- 14.1 The Licensee shall:
- (a) make a copy of this Licence available for inspection by members of the public at the IESO's offices during normal business hours; and
  - (b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.