

OEB Approves Lower Smart Metering Charge to the End of 2027

Today the Ontario Energy Board (OEB) issued its [Decision and Order](#) on an application from the Independent Electricity System Operator (IESO), filed in its capacity as the Smart Metering Entity (SME), seeking approval to reduce its smart metering charge (SMC) for the years 2023-2027. The IESO/SME maintains and operates the province's data repository that processes and stores electricity consumption data that is used for consumer billing by Ontario's electricity distributors. The SMC recovers the cost of that activity from electricity distributors, which pass that cost on to their residential and general service less than 50kW customers.

In its application, the IESO/SME sought approval to reduce its SMC for the years 2023-2027 from \$0.57¹ per meter per month to \$0.43 per meter per month.

The application included a request to charge the lower SMC, on an interim basis, for the 9-month period beginning April 1, 2022 to December 31, 2022, pending a final decision on the IESO/SME's application. The OEB approved this request in a separate decision issued [April 14, 2022](#).

Intervenors (the Parties) in the proceeding were:

- Consumers Council of Canada
- The Electricity Distributors Association
- Energy Probe Research Foundation
- Environmental Defence Canada Inc.
- Niagara-on-the-Lake Hydro Inc.
- Vulnerable Energy Consumers Coalition

Following an interrogatory process, a settlement conference was held on July 20 and 21, 2022. On August 8, 2022, the IESO/SME filed a settlement proposal that reflected a full settlement between the IESO/SME and the Parties.

OEB staff filed a submission supporting the settlement proposal on August 18, 2022.

In today's Decision, the OEB found that the settlement proposal addresses all issues in the proceeding and appropriately serves the public interest. The approved settlement proposal:

- finalizes the interim rate of \$0.43 per smart meter per month from April 1, 2022 to December 31, 2022, and
- reduces the SMC further to \$0.42 from January 1, 2023 to December 31, 2027. The \$0.01 reduction from the originally proposed rate of \$0.43 is a result of a reduced revenue requirement (revised from \$137.5

¹The OEB-approved rate for the 2018 to 2022 period ([EB-2017-0290](#)).

million to \$137.1 million to better align with the information in the application) and the revised forecast of installed smart meters for the 2023 to 2027 period.

Given the rationale provided by the Parties, the OEB found that these SMC reductions can be accommodated without compromising the services provided by the IESO/SME.

About the OEB

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and supports the collective advancement of the people of Ontario. Its goal is to deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development.

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Ce document est aussi disponible en français.

This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for the decision; those may be found in the Decision and Order issued today, which is the official OEB document.