



Association of Major Power Consumers in Ontario

Nov 18, 2004

Mr. John Zych
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
26th Floor
Toronto, Ontario M4P 1E4

Dear Mr. Zych:

Re: RP-2004-0196 Smart Meter Initiative Draft Implementation Plan

The Association of Major Power Consumers in Ontario ("AMPCO") herein submits its comments on the Draft Implementation Plan for Smart Meters as requested in the Board's letter dated Nov 9, 2004. Thank you for this opportunity to comment.

AMPCO notes the Board is proposing that the cost of smart meters for each customer class be allocated to that class for cost recovery. The two alternatives are explained in Sections 3.4.1 and 3.4.2 of the Draft Implementation Plan. AMPCO strongly supports this principle of cost recovery from the class for which the meters are installed. As noted in the Draft Plan Section 3.4.3, all existing customers over 1000 kW and many customers over 500 kW have paid for their (smart) meters. It would be inequitable to now require them to pay a share of the costs of providing smart meters to other customer classes.

It is clear that the economics of installing smart meters are better for larger customers. AMPCO notes that the priorities for deployment are on larger customers. It makes sense to concentrate on areas where savings are likely to cover the costs of the more expensive meters. However, AMPCO is concerned that the economic case for installing smart meters for even the smallest residential customers has not been made. Provided that the principle of keeping costs within classes is maintained, it does not directly affect AMPCO members if uneconomic installations of smart meters are made for other customer classes. However, AMPCO remains concerned that this is symptomatic of the proliferation of programs to control and reduce demand that may be implemented without solid economic justification.

Yours Truly

A handwritten signature in black ink that reads "mrichardson". The signature is written in a cursive, somewhat stylized script.

Mary Ellen Richardson
President
Association of Major Power Consumers in Ontario

c.c.: Ken Snelson