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| your ref | our ref | date |
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| | JRE/ALF/1465 | 24 November 2004 |

Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street
26th Floor
Toronto
ON M4P 1E4

Dear Sirs

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

Please take this letter as a response to your invitation to interested parties to comment on the OEB's draft implementation plan for the smart metering initiative.

We fully support the Provincial Government's twin objectives of:

- reducing the overall level of demand for electricity
- managing the peak demand for electricity

Ampy has worked with a number of utilities around the world to develop solutions to these types of problems. Ampy designed the meters for Enel of which approximately 19 million units are now installed. In North America, Ampy has worked with a number of utilities (including Woodstock Hydro in Ontario and SRP in Phoenix, Arizona) to bring to market a metering system which has demonstrated its ability to meet the two main objectives of the Provincial Government.

The main benefits of the system are:

- the systems operates on a Pay As You Go basis. Paying for electricity in advance (in just the same way as a consumer does for groceries and most services) increases the consumers' awareness of his or her consumption. This awareness results in behaviour changes.

- the system incorporates an in-home display unit. This enables the consumer to monitor his or her consumption closely and to observe in real time the impact on his or her consumption of turning off appliances.

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SRP and Woodstock Hydro have demonstrated reductions in demand of between 10% and 20% arising from the implementation of such a system. I refer you to the letter from Woodstock Hydro of 12th August 2004 which eloquently explains the benefits derived from their long experience of operating a Pay As You Go system incorporating an in-home display unit.

It is important to understand properly the advantages of an in-home display unit. An in-home display unit enables the consumer to monitor in real time his usage and to see immediately on the display the impact of changes in his or her behaviour. This is likely to be a far more powerful tool than displaying to a consumer via the internet or telephone their behavior from the previous day. The essential point is that a consumer is much more likely to respond appropriately to information that is displayed to him or her in real time on a unit which is permanently operating inside his or her home.

We would therefore respectfully suggest that the OEB should consider including a recommendation in its report to the Minister of Energy that pre-payment systems be considered compliant with the final standard for smart meters. It is recognized that the two notions of Pre-Payment and Critical Period Pricing are not reconcilable without altering the fundamental characteristics of Pre-Payment that provide the desired conservation results. We are of the mind that it would be counter productive to not encourage the use of this proven program simply due to its incompatibility with a rate structure program (CPP) that by its very nature is hopefully a short term or at least a very infrequent requirement. It is worth noting that pre-payment systems are fully compatible with Time of Use rate plans and we would fully encourage the adoption of such schemes.

Finally, we would question the obligation on distributors to choose systems with at least 10,000 units already installed. Potentially, this may limit newcomers who have good experience of similar systems elsewhere in the world from entering the market. We believe this should be modified to allow distributors to select from suppliers who have at least 10,000 smart meters installed worldwide with materially similar functionality.

Yours sincerely

Jonathan Elmer
Chief Executive Officer