

November 26, 2004

(sent via e-mail & courier)

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

Attention: Mr. John Zych
Board Secretary

**Re: OEB Draft Implementation Plan on Smart Meters
RP-2004-0196**

Dear Sir:

The staff at Barrie Hydro Distribution Inc. ("Barrie Hydro") has had an opportunity to review the OEB document entitled **Smart Meter Implementation Plan – Draft Report of the Board for Comment** ("Draft Report") dated November 9th, 2004. The following are our comments and concerns at this time:

- 1) The "Draft Report" seems to imply that the existing Interval Meters using telephone communications for Customer Group 3 (>200kW) are completely satisfactory and that LDCs should continue to deploy their existing metering technology during 2005 for all of their Group 3 Customers.

In the case of Barrie Hydro, we are presently questioning continuing the use of our existing Interval Meter Technology, and are evaluating whether we should deploy a different technology for this Group of customers. As part of our evaluation we will be considering compatibility with what we may deploy for the Group 1 & 2 Customers.

We respectfully suggest that the "Draft Report" be modified to allow flexibility in this regard.

- 2) The "Draft Report" seems to imply that LDCs will be required to deploy their 'Smart Metering Communications and Billing Technology' to cover 100% of their Service Areas on the first day they deploy their first 'Smart Meter'.

This comment is a result of the statement 'New Installations including new homes and customers with peak loads from 50 to 200kW to get 'Smart Meters' first.

In the opinion of Barrie Hydro we feel the better way to tackle this very ambitious and complex task would be on the basis of targeted geographical segments within our Service Areas.

Barrie Hydro presently has seven (7) separate and discrete Service Areas. The targeted geographical segments would be our higher growth areas initially, and then progress to cover the remainder of our Service Areas by the required year 2010 timeframe. By permitting 'targeted geographical segments', LDCs will be able to reduce their initial cost of deployment, and ultimately reduce their 'meter seal extension sample' costs, when required, by Measurement Canada.



- 3) With regard to Group 2 Customers or 'New Installations, including customers with peak loads from 50 to 200kW to get Smart Meters first', it is the opinion of Barrie Hydro that suppliers of Smart Meter Systems for this particular group are the least prepared. That is, perhaps this needs to be addressed within the "Draft Report".
- 4) The requirement within the "Draft Report" that Customers are to have access to their data by telephone or Internet the following day, or more particularly by 8:00 a.m. the next day, seems to be particularly onerous and excessively costly.

That is, we are assuming that the day ends at midnight, and thus, within 8 hours LDCs must have the information 'posted', ready for Internet and telephone access by the Customer. This would include weekends and statutory holidays.

We respectfully suggest that the 'average' customer will simply want to be advised and know 'what rate applies at what time of the day' and that he/she is, in fact, being billed accordingly. This will still require the deployment of Smart Meter Systems, but the timing of the data availability would be less onerous and costly.

In our opinion, it will be the 'exceptional customer' that will go to the trouble of accessing their 'data' on the following day, or even by 8:00 a.m. The more likely scenario will be that the 'average' customer will only require the data be available at the time when they receive the bill, or at least at a more reasonable time delay period than the 'following day at 8:00 a.m.'. Perhaps for those 'exceptional customers' that require 'the following day service' (with weekends and statutory vacation days excluded) it could be made available as an extra cost option basis.

- 5) The "Draft Report" seems to suggest that the depreciation period for 'Smart Meters' may be 15 years, whereas our present meter depreciation period is 25 years. Barrie Hydro questions whether this depreciation period of 15 years is too long given that electronic technology, in general, seems only to survive 3 to 5 years before they are replaced by newer electronic technologies. This may be the case with 'Smart Meters', especially at this early stage of deployment.

Respectfully Submitted,

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Vice President – Corporate Affairs

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