

Ontario Energy Board
Implementation Plan on Smart Meters
RP-2004-0196

Submission of Enbridge Gas Distribution Inc.

In a November 9, 2004 release to all interested stakeholders, the Board invited submissions on its draft implementation plan.

Enbridge Gas Distribution (Enbridge) has reviewed the plan and appreciates this opportunity to provide comments. Enbridge would also like to thank the Ontario Energy Board for allowing the Company to participate in the Cost Considerations Working Group of this important initiative.

As an energy distributor, Enbridge strongly supports the meter service function being retained by the utility. The utility is in the best position to determine how to provide these services to its customers and whether outsourcing or leasing options should be considered. Having set a minimum standard, the plan provides flexibility for utilities to select the best meter technology to meet their system needs and to use buying groups and external service providers where appropriate. Given the recent meter developments and the evolving market conditions, utilities should be encouraged to consider new technologies, new services partners, new capital financing and new rate designs to provide the most efficient, cost-effective metering services to their customers.

Enbridge is very supportive of the cost recovery recommendations in the plan including the recovery of stranded assets. Utility shareholders should not be penalized for a policy or technology change that is expected to benefit its ratepayers. At the same time, utilities should be encouraged to optimize their operating and capital spending by examining the benefits of automatic meter

reading and other cost saving technologies. Along these lines, Enbridge would be willing to explore multi-utility meter reading opportunities that could provide incremental benefits to its gas customers. The Company would also be willing to work with electricity LDCs to assess fuel conversion and distributed generation opportunities that could provide mutual benefits for gas and electricity ratepayers, particularly in the MUSH sector.

One area that should not be overlooked when assessing costs and benefits is two-way communication. There are significant benefits from using two-way communication that should be considered now to avoid the cost of subsequent upgrades. Load control devices should also be examined. Where there are benefits of installing more than one new technology at the same time, utilities should be encouraged to use joint installation.

The smart metering initiative is a challenging and complex task. Most utilities will not have deployed meters at such a scale. Meter asset management is a major function at Enbridge where 40,000 to 90,000 gas meters are installed annually. This function involves developing specifications, procurement, testing, re-certification, repair and calibration of meters. Based on its experience, Enbridge strongly recommends that electricity utilities not underestimate the importance of project management, inventory tracking and other processes. Given the complexity and importance of this initiative, Enbridge would like to offer its assistance to the Board on future working groups and extend an offer to work with electricity distributors where there is potential for mutual benefits for gas and electric customers.