



Hamilton Hydro Inc.
a Hamilton Utilities company

November 29, 2004

By Fax and Courier

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

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

Hamilton Hydro Inc. (“Hamilton Hydro”) is writing in response to the Ontario Energy Board’s draft Smart Meter Implementation Plan (the “Plan”) issued for comment on November 9, 2004. Nine (9) copies of these comments are enclosed, together with a soft copy in PDF format.

The Board is to be commended on its efforts in developing this Plan. Hamilton Hydro participated in the working groups that contributed to the draft implementation plan and will continue to be an active participant in the execution of the final Smart Metering Plan.

Hamilton Hydro will not reiterate the comments submitted by its colleagues being the Coalition of Large Distributors (“CLD” – Enersource Hydro Mississauga, Hydro Ottawa Limited, PowerStream, Toronto Hydro-Electric System Limited and Veridian), but would reinforce the following:

1. The role of the Implementation Coordinator should be established as that of providing an oversight function restricted to monitoring and coordinating LDC activities. Hamilton Hydro considers the Board to be in the ideal position, as the regulator, to perform this oversight function. The reporting of the Smart Meter deployment is a natural extension of the existing Record Keeping and Reporting Requirements.
2. Hamilton Hydro supports a cost recovery mechanism that recovers the costs of the entire Smart Metering program from all customers within a class. Recovery should be through the Fixed Distribution Charge as there is no correlation of program costs to consumption.

3. Hamilton Hydro does not support the transfer of stranded assets from rate base into regulatory assets due to the materiality of these assets and the uncertainty of recovery of regulatory assets. The costs of these stranded assets should remain in rate base until scheduled for retirement.
4. The Plan contemplates providing LDCs with flexibility when choosing the smart metering systems that best suit their regional conditions and customer mix. This flexibility, however, eliminates the use of Measurement Canada approved prepaid meters from the Smart Metering program despite being proven to reduce consumption by 15%. This is inconsistent with the Provincial Government plans to reduce electricity usage in Ontario.
5. The Plan requires the installation of interval meters for all customers to support smart metering initiatives. Hamilton Hydro agrees with this requirement in order to facilitate future implementation of rate structures for the promotion of conservation and demand management programs.
6. Hamilton Hydro supports the additional comments, as submitted by the CLD, and would urge the Board to continue to involve the expertise of LDCs in procurement, customer care and communication, and technical and systems requirements to meet the objectives of the Smart Metering Plan.

We look forward to working with the Board on the implementation of the Smart Metering program.

Yours truly,

A handwritten signature in black ink, appearing to read 'Cameron McKenzie', written in a cursive style.

Cameron McKenzie
Director, Regulatory Affairs

CM/at