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November 26, 2004

John Zych  
Board Secretary  
2300 Yonge Street, 26th. Floor  
Toronto, ON M4P 1E4

Subject: Response to the OEB's Smart Meter Draft Implementation Plan – RP-2004-0196

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Dear Mr. Zych:

Kitchener-Wilmot Hydro Inc. has reviewed the Draft Implementation Plan on Smart Meters and would like to take this opportunity to submit the following comments and requests for further clarification:

1. Installation of Smart Meters as a result of Service Upgrades and Meter Changeouts.

Replacing meters as a result of service upgrades or according to reverification due year and by sample group may be impractical given the communication requirements for Smart Meters. Meter upgrades and meters within sample groups are scattered through the Service Area and replacing them in this manner would necessitate the implementation of a full communication network prior to beginning a replacement program. Setting meter change targets which allowed each LDC the opportunity to target specific geographical areas within their service territory and build the communication network in an orderly fashion may more easily achieve the Smart Metering Directive.

2. Meter Communication for Customer Group No. 3, General Service > 200 kW Customers.

For Group 3 customers, remote meter interrogation is “by established distribution practice and is most commonly accomplished by using dedicated

or shared telephone line.” Kitchener-Wilmot Hydro’s current practice is a dedicated telephone line and in most cases this is provided by the customer. However, we believe the existing Distribution System Code and the Draft Implementation Plan on Smart Metering are unclear as to who should bear the cost of these telephone lines: the customer or the LDC. In discussing this issue with other LDC’s, it is evident by the various approaches taken that this requires clarification. At approximately \$50.00 per month line rental for a dedicated telephone line for each site, this can represent a significant cost for the LDC. In addition, installation costs for each site not currently with interval metering may be considerable.

In order to move forward to complete the installation of interval meters for all customers > 200 kW, the OEB needs to define an acceptable communication technology to be employed and to clarify who is responsible for the installation and on-going communication costs.

3. Meter Communication for Customer Group No. 2, General Service 50 kW – 200 kW.

Currently, a smart meter for this application utilizing wireless technology is not available. Assuming a meter is developed and approved in a timely manner, we will be faced with the same communication network issue as detailed in item 1 above, whereby the entire communication network will have to be established in order to replace the customer Group 2 meters by the end of 2006 as proposed in the Draft Plan.

If current interval-style metering is to be used for this Customer Group, then we have the same telephone line communication issues as detailed in item 2 above and request that the OEB, in their Implementation Plan, clarify cost responsibilities for this Customer Group as well.

4. Eastern Standard Time/Daylight Savings Time Issues.

Pricing, usage presentation and design within most Customer Information Systems is based on Eastern Standard Time. The draft implementation plan states Smart Meter Systems must be capable of handling 25 hours of interval or TOU data based on local DST switch dates.

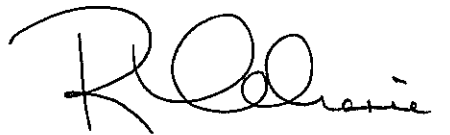
This prerequisite would require Customer Information Systems to also be capable of handling interval time changes and storing 25 hours of interval data.

Currently, interval meter data for customers on spot market pricing is calculated and presented based on Eastern Standard Time. Integration of two separate time frames, pricing and data presentation would not only be inconsistent but could prove unmanageable.

While Kitchener-Wilmot Hydro Inc. appreciates the Government's desire to move forward with this implementation plan in a timely manner we believe the plan to be very optimistic and ambitious considering the technology currently available. Certainly, using existing interval meter technology and telephone communications for General Service Customers > 200 kW is achievable; However, the developing Smart Meter technologies for the remaining Customer Groups are currently limited and/or not yet approved for use. It may be advantageous to take a small step back on the implementation timeline and allow the technology to catch up to where informed evaluations and decisions can be made.

Thank you for the opportunity to comment on the Draft Implementation Plan.

Yours truly,

A handwritten signature in black ink, appearing to read "R. Charie". The signature is fluid and cursive, with a large initial "R" and a trailing flourish.

President & C.E.O.

R. Charie, B.Comm., C.G.A.  
ld

cc: Will Stewart, EDA