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November 25, 2004

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

Dear Mr. Zych:

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

The Minister of Energy has directed the Ontario Energy Board to develop a plan to install "Smart Meters" in all households by the year 2010 and hopes to encourage a "Conservation Culture" within the Province. Orillia Power Distribution Corporation wishes to comment on the Ontario Energy Board response to that direction. Orillia Power is concerned that the draft plan if implemented as is, would discourage the future investment in proven conservation solutions similar to the Woodstock Hydro prepaid metering initiative.

Woodstock Hydro combines the use of a "Pay As You Go" meter, smart card and a digital customer information unit located in the home to provide a metering solution that clearly has been very successful in encouraging consumers to conserve power usage. This solution enables the customer to monitor on a real time basis their power consumption and costs. Analysis shows that energy consumption has been reduced by 15 to 20 percent compared to regular metering solutions. Technology that encourages this level of energy conservation must be part of any long-term plan for "Smart Metering" in the Province of Ontario.

Our understanding of the metering technology used in the prepaid solution is that it meets most of the requirements outlined in the Minister's direction but not the ability for critical peak pricing. We are concerned that the Ontario Energy Board in locking in to a critical peak-pricing path may be preventing an extremely good conservation solution from going forward in the long term. The Province needs every possible conservation solution and cannot afford to exclude proven technologies such as "Pay As You Go" metering in order to implement unproven technologies.

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It should also be remembered that conservation is only one solution of many needed to avoid the looming energy shortage. The utilization of critical peak pricing will not replace the Province's need for investment in approximately 22,000 megawatts of new generation over the next two decades. Why prevent long-term investment in a proven conservation tool like "Pay As You Go" metering.

We respectfully request the Ontario Energy Board ensure that the solution outlined above is included in the final Smart Metering Plan presented to the Minister. Orillia Power would like to thank the Energy Board for this opportunity to respond to the draft plan. For additional information regarding this submission, please contact the undersigned at (705) 326-2495 ext 225 or [jmattinson@orilliapower.ca](mailto:jmattinson@orilliapower.ca)

Yours truly,

A handwritten signature in black ink, appearing to read "John Mattinson". The signature is fluid and cursive, with a large initial "J" and "M".

John Mattinson, P. Eng.  
President & Secretary  
Orillia Power Distribution Corporation