



## **Ottawa River Power Corporation**

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November 26, 2004

Mr. John Zych, Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
Toronto ON M4P 1E4

Dear Mr. Zych:

**RE: Smart Meter Draft Implementation Plan - RP-2004-0196**

Thank you for providing an opportunity to comment on the draft plan for the Smart Meter Implementation in Ontario.

Firstly we would like to comment on the principle of rolling out interval meters to every customer in the Province. It is difficult to accept that this will provide the impetus to meet the goal of creating a conservation culture in the Province. We believe the OEB staff, in their report to the Board on January 23, 2004 (Section 4.2), and the OEB in their report to the Minister of Energy (Section 3.1), were correct in determining that:

*“There is no demonstrable economic justification for mass-deployment of interval meters among existing residential customers based on load shifting.”*

This will be a costly implementation and will incur high ongoing cost that will be an ongoing burden to the customer. Being one of the first jurisdictions to undertake a project of this magnitude may very well speak to advisability of such an undertaking rather than the merits of being a leader.

Having said that, we have the following comments on the implementation plan:

1. Page 5 of the introduction speaks to the expectation that there will be a time of use regulated price plan. Surely, to move ahead with interval meters there must be interval based RPP rates.
2. We are concerned that the recommended response to dealing with cost fluctuation should be conversion to natural gas. In the past, the Government provided incentive to many of these same electric heating customers to switch off of oil and now it appears we will encourage them to switch back to oil or natural gas. Are these fuels so cheap and plentiful that this recommendation makes sense?

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3. Section 2.6.2 requires a meter installation be carried out within 6 weeks of a request. In the early stages, the communication method may not be in place and an early implementation may drive dedicated telephone lines and the resultant expenditure. The plan should have, if possible, the requirement that customers make a telephone line available. Presumably the communication of choice will have to be low power wireless but there will be many instances where wireless will not be practical and telephone connection will be the communication of choice. A dedicated line will is very costly.
4. The \$3-4/month/customer price tag attached to the implementation seems to be quite optimistic in view of the rapid implementation timeframe, the communication requirements and the systems that have to be implemented. Past experience with remote reading has shown the degree of “no reads” that need manual intervention. The savings forecast for not performing manual reads will quickly be eaten up in dealing with “no reads” caused by hardware and communication problems.
5. The daily reporting, the key to creating those life style changes so customers conserve is interesting. For most utilities, this requires starting a 24/7 operation to have staff available to initiate and monitor the systems to collect readings and post it to interactive phone systems and web data bases to meet the daily 8:00 AM reporting deadline.
6. Consideration should be given to what the course of action will be if the pilot programs don’t provide the assurance that the project is doable on a large basis. An expensive metering fiasco is not an option. There is a myriad of potential problems that have to be resolved before the full roll out proceeds.
7. Section 3.4 addresses the recovery of costs for the program as it rolls out. We believe, though not fair, that the cost should be applied to the whole group with an escalating rate to avoid the administrative problem of introducing classes within classes.
8. The capital outlay for this program is significant and, in our case, will result in a 50% increase to our capital budget over the implementation period. This may require borrowing to support the program.

Thank you for the opportunity to provide comments on the plan. If I can provide any further elaboration please contact me.

Yours truly,

*Original signed by Doug Fee*

Douglas Fee, P.Eng.  
President

DF/mtd