

January 10, 2005

Mr. John Zych
Board Secretary
Ontario Energy Board
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Dear Mr. Zych:

**Re: Smart Meter Initiative – Further consultations
Board File No. RP-2004-0196**

Enersource Hydro Mississauga is pleased to enclose the following comments in response to your request for further consultation related to 2-way communication and a communication operator.

Please note Enersource Hydro Mississauga has discussed these comments with other members of the Coalition of Large Distributors (PowerStream, Toronto Hydro-Electric System Ltd, Veridian Connections Inc., Hamilton Hydro and Hydro Ottawa Limited). We are fully supportive of each other's positions and we will continue to work together on this very important initiative.

What are the benefits and drawbacks of mandating a two-way communication network?

Enersource recommends that a two-way communication system not be mandated. A two-way communication system allows for added functionality, but a one-way communication system does not preclude us from implementing a robust smart metering system using proven technology from industry leaders. Mandating a two-way communication system at this time reduces the pool of proven systems. Implementing a two-way communication system should be an evolutionary process.

We recommend that the OEB allow each LDC to develop a business case for their decision to proceed to a two-way communication system. This should be based on what best suits the individual LDC's customer base and territory.

In the event of Province-wide two-way communication, should electricity distributors be responsible for operating the communications network?

Yes, electricity distributors should continue to be responsible for operating the communications network by utilizing current mediums across the entire spectrum including private and public networks, Radio Frequency (wireless), power-line carrier, telephone, etc. A dedicated Communication Operator is not required to service the smart metering network. Many of the current and proven smart metering systems utilize a combination of communication mediums depending on what is most cost effective and reliable given the application and territory. A Communication Operator potentially reduces the flexibility and variety of communication mediums that a smart metering system owner currently has at its disposal.

If not, how should a communication operator or operators be selected?

We are not aware of a communication operator that services the entire spectrum of communication mediums. It should be left to the electricity distributor as the smart metering system owner to choose the communication medium or service provider that best meets the objectives of the chosen metering system. Note that this is similar to today whereby electricity distributors select and connect to large commercial and industrial customer meters using whatever technology and systems make most sense.

How would the rates for the communication operators be set and/or collected?

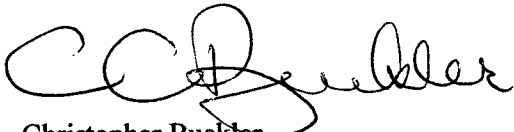
Standard fees set by the CRTC for public communication operators are already in place and are part of the present competitive business environment. The use of private radio frequency, fixed networks and power line carrier in many cases will eliminate telecommunication costs.

If there is a two-way communication network would an open data protocol aid the development and availability of end- devices and services?

An open data protocol is ideal, but this is not feasible given the current timelines in the Minister's directive. In addition, this has not been implemented in any other jurisdiction and will require a significant amount of cooperation amongst smart metering vendors. Ontario may not have the customer base to make it worthwhile for vendors to undertake this exercise especially within the current timelines.

We assume that an open data protocol would aid the development and availability of end-devices and we should not prevent ourselves from evolving in this direction.

Yours truly,



Christopher Buckler
Vice President Customer Service
and Regulatory Affairs

Encl.