

January 10, 2005

Peter H. O'Dell
Acting Board Secretary
Ontario Energy Board
P.O. Box 2319
26th Floor
2300 Yonge Street
Toronto, Ontario
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Re: **RP-2004-0196**
Smart Meter Initiative-Further Consultations

Dear Mr. O'Dell

Hamilton Hydro Inc. is pleased to provide additional clarification on communication systems for Smart Meters, and has the following comments with respect to the Board's request dated December 21, 2004.

Hamilton Hydro Inc. is supportive of the potential benefit using a two-way method of the transmission of metering data between the customer and the utility. It is paramount to recognize that as the technology matures and meter interfaces to other smart devices grow communications will be important to a multitude of stakeholders in the Ontario electricity market. The wholesale change-out of electricity meters is not a common occurrence and should allow for the best practice technological options to be utilized.

Hamilton Hydro has discussed this plan with the other members with the Coalition of Large Distributors (CLD) (Enersource Hydro Mississauga, Toronto Hydro- Electric System Limited, PowerStream Inc, Veridian Connections Inc., and Hydro Ottawa Limited). We are supportive of each other's position. We will continue to work closely together on this initiative.

Hamilton Hydro views the following areas as representing the best opportunities for an effective communication system.

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

Hamilton Hydro would recommend that a two-way system not be mandated but allow each LDC to make a business case for their decision based on the type of communication method that best suits their customer base.

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

- 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 namely unlicensed wireless frequencies, power-line carrier and public communication networks. An explicit Communication Operator potentially reduces the flexibility and variety of communication mediums that a smart metering system owner currently has at its disposal.
- In the case of a single province-wide system, the distributors would have to coordinate connection, disconnection and trouble shooting activities with the system operator. The planning and reporting process would be extremely cumbersome, and would also be very difficult to meet the deployment targets.
- LDC's are fully responsible for managing all elements of risk and liability for meter data from "cradle to grave". Introduction of third party medians and operators into the critical data path may must remain the sole discretion of LDC's if this responsibility is not to be diluted.

Hamilton Hydro views that if we are in the metering business we should be responsible to maintain the communication systems to our billing registers.

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

- Hamilton Hydro is not aware of a communication operator service that covers the entire spectrum of media required to interface with electric meters.
- A system operator if established could have undue influence and eliminate competitive opportunities for other competitors.

Hamilton Hydro does not support a communication operator system.

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 especially in the commercial area where small businesses would be burdened with high monthly costs for dedicated phone lines to the meter.

Hamilton Hydro does not support a single rate communication operator.

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

- Competition by metering vendors should be moving towards a standard protocol. This will allow for compatibility with load management devices and customer display modules.
- Open standards are essential for participants in the electrical industry. The success of a province wide initiative requires systems to communicate, common protocols, and standard –based platforms to be developed that will allow for minimum compatibility problems. LDC’s do not want to be locked into vendors solution that will not allow for future flexibility as the technology and market matures.
- We would also assume that if an open data protocol were implemented during the first rollout of smart metering in Ontario, the timelines would be significantly delayed.

Hamilton Hydro recommends that the metering communication interface points should work towards more compatibility using the most commonly accepted standards. While this is not entirely feasible at this stage we would expect open standards in the future to be developed to allow for vendor compatibility.

We look forward to working with the Board on this and future concerns on Smart Meter implementation

Yours truly,

Terry Court
Director, Metering Services
Hamilton Hydro Inc.