Rodan Energy & Metering Solutions Inc.
165 Matheson Blvd. East, Suite 6
Mississauga, ON, Canada L4Z 3K2
Tel (905) 625-9900
Fax (905) 625-4307
Toll free (866) 999-5006

Paul M. Grod, LL.B., MBA
President
Direct: (905) 625-9900 x 225
Cell: (905) 302-4768
Email: paul.grod@rodanpower.com

www.rodanpower.com

January 10, 2005

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 26th Floor
Toronto, ON
M4P 1E4

Attention: John Zych, Board Secretary

Dear Mr. Zych:

RE: SMART METER INITIATIVE – FURTHER CONSULTATIONS, BOARD FILE NO. RP-2004-0196

In response to Assistant Board Secretary Peter H. O'Dell's letter of December 21, 2004 Rodan Energy and Metering Solutions Inc. ("Rodan") is pleased to be afforded the opportunity to continue to contribute to this very important initiative.

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

   (a) Benefits
   - (i) Real-time price signalling could be pushed to the customer rather than relying on third party sources for delayed data. Direct access to consumption information better prompts the customer to change consumption behaviour - collectively leading to peak curtailment. Overall there are better opportunities for energy management and related services that could be provided by third parties.
   - (ii) The LDC, customer and/or duly authorized third parties would be able to initiate load curtailment and action such as adjusting air conditioners, pool pumps and turning off water heaters. Energy suppliers may be able to offer reduced rates for customers willing to have interruptible supply or reduction of load at a set system peak.
   - (iii) Remote disconnect/reconnect.
   - (iv) Remote access to natural gas, water and other measurable commodities would be facilitated.
   - (v) LDCs and/or duly authorized third parties could offer other services (internet, security, customer notification etc.) to customers creating further revenue streams.

   (b) Drawbacks
   - (i) Some otherwise suitable one-way communication solutions would be eliminated.
   - (ii) The overall system costs would likely increase.

(iii) The existing deployment of 20,000 interval meters may require retrofitting at additional cost.
(iv) The implementation of a comprehensive 2-way communication system may not be achievable if LDCs are to be meet the Minister's proposed timelines.
(v) The challenge of 1-way communication access to some areas of the Province will be further exacerbated with a 2-way communication requirement.

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

Each region of Ontario has its own communication intricacies whereby there is no one solution that meets the needs of the entire province. Each communication system has its own advantage and in some circumstances several communication methods may be required to provide connectivity to all the applicable devices. Many LDCs have been utilizing various communication medium that suit their particular needs, such as power line carrier, radio frequency or broadband over cable, Wi-Fi or other medium, to name a few. These systems may provide connectivity to other applications such as SCADA. It would be counterproductive to force any one solution or one operator for the entire province as this may lead to:

(i) an inferior solution;
(ii) a more expensive solution;
(iii) writing off effective communication solutions developed by LDCs;
(iv) limited flexibility to read other utility meters (water and gas);
(v) limiting the research and development of new technologies;
(vi) discouraging innovation and cost competitiveness that evolves from competitive provision of these services to LDCs.

Rodan recommends that LDCs should be responsible for the smart metering communication network. LDCs could choose to contract with a third party (retail MSP) for retail metering provision and/or support including the provision of a communication system including on-going maintenance and support.

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

On the basis of proven installed systems in other technically, geographically and diverse density jurisdictions similar to Ontario.

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

Perhaps communication operator rates could be set in a similar fashion that rates are set for LDCs and the IMO. Similarly communication operator rates could be collected via the LDC as a pass through to the customer.

One of the challenges will be how to establish a rate for communications in remote/hard to reach regions/locations. Some locations may only be accessible by satellite.

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

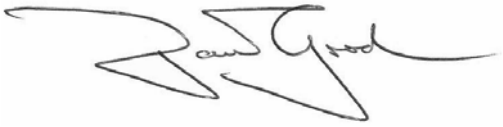
The direct answer to the question is yes. However it is important to note that at this juncture it does not appear that an open data protocol has been implemented in any other jurisdiction nor has an open protocol been adopted by all the meter suppliers. From the meter vendor perspective Ontario represents a relatively small marketplace, so an open data protocol for the

communication network(s), peripherals and services while theoretically attractive may realistically be difficult to achieve within the current timelines. Meter manufacturers may be provided a timetable by which they are to adopt an open protocol in order to qualify as an OEB approved device.

Conclusion

Rodan is pleased to participate in this consultation and congratulates the Government of Ontario and the OEB on the progress to date with the development of an implementation plan for smart meters.

Yours very truly,
RODAN ENERGY & METERING SOLUTIONS INC.



Paul M. Grod
President