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January 10th, 2005

Mr. John Zych
Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th Floor
Toronto, ON, M4P 1E4

Subject: Tantalus Comments to RP-2004-0196 Regarding Two-Way Communications

Tantalus Systems Corp. (Tantalus) is pleased to provide additional input on the topic of the Smart Meter Initiative with respect to two-way communications. Tantalus feels that the selection of the appropriate technology is a crucial contributing factor to the eventual success of the Smart Meter Initiative. As such, it is imperative that the latest generation technologies – ones that offer maximum deployment and operating flexibility and that support existing and future customer needs – are implemented.

It is Tantalus' experience that the communications system is the limiting factor in any Smart Metering system, and that the benefits of two-way communications far exceed standard one-way communication systems. There is no appreciable cost difference between two-way and one-way systems, and the benefits of two-way systems are extensive.

Specific benefits of two-way communications include:

- The ability to capture customer events and affect control strategies on behalf of customers;
- The ability to validate customer status and capture operating events;
- The ability to provide strong operational capabilities across the network to enhance customer service and strengthen the network; and,
- The ability to trigger and capture exceptional pricing signals.

The ultimate objective of the Smart Metering System is to help customers understand their current consumption patterns, and through feedback and education, improve their usage habits. By its very nature, feedback is a critical element to the success of such a system.

Electricity distributors are in the best position to deploy, support, and optimize a Smart Metering System in Ontario. Distributors are responsible for overall network performance and for customer billing. They also possess the resources required to manage and support these systems. It is Tantalus' belief that distributors can support Smart Metering Systems without adding additional cost over those which independent owners would be charging Ontario customers.

Tantalus does not think that a single, province wide two-way system should be mandatory. Instead, electric distributors should be free to select the two-way technology that is most appropriate for the terrain, customer base, and density of users being served.

Tantalus Comments to RP-2004-0196

By having local electric distributors operate Smart Metering Systems, there are no artificial pricing schemes that need to be developed. Furthermore, customers will not be asked to pay for multiple facilities and administrative resources. New applications would be adopted more readily as incremental communication costs would be negligible or lower, hence distributor and customer experience would translate into viable solutions more rapidly.

It is Tantalus' belief that an open data protocol would not serve the best interests of either electric distributors or their customers. Open communication protocols do not have the sustainable track record required by the utility industry. Given this lack of field-proven success, there are dangers of premature obsolescence and unforeseen integration challenges. Current market forces compel suppliers to maintain systems that can be integrated together in order to satisfy the ongoing needs of individual electric distributors. Working with existing systems requires far less effort than is required to design, build, deploy and manage a new open standard.

Even if a new open standard were developed to serve the Ontario market alone, and it was developed and adopted quickly enough to maintain the current deployment schedule, Ontario customers could run the real risk of minimal supplier interest which would impact cost and long-term support crucial to the success of the Smart Meter initiative.

Thank you for your consideration. Please feel free to contact me should you have any questions about this matter.

Regards,

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