



Woodstock Hydro Services Inc.

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January 6, 2005

John Zych
Board Secretary
2300 Yonge Street, 26th floor
Toronto On
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Dear Sir

Re: Smart Meter Initiative (RP-2004-0196)

Please accept this letter in response to your invitation of December 21, 2004 to interested parties to provide comment on the benefits of a mandatory two-way communication system forming part of the Smart Meter standard.

Woodstock Hydro has provided comments and information on the Smart Metering initiative in response to the two previous invitations from the Board. Our letters dated August 12, 2004 and November 25, 2004, provide description of a metering/payment system that has been utilized in Woodstock for over 15 years. The "pay as you go" system has consistently delivered the results that have been cited as the end goals of the Smart Metering Initiative.

The customers that choose to utilize the "pay as you go" system have demonstrated that awareness of their electricity usage and in turn the value of electricity typically results in energy consumption that is 15% less than conventionally invoiced customers.

We continue to advocate that the system we have in use has a proven track record of conservation effectiveness, is gaining popularity across North America as it has in other global jurisdictions and should be maintained in its current form.

We therefore are opposed to any mandatory requirement to add layers of technology such as the two-way communication as it is described in the request for comment letter of December 21, 2004.

As we have stated in previous submissions, it is our view that more attention should be paid to achieving the desired result of creating a conservation culture by concentrating on the conservation outcomes of implementing technology as opposed to unduly focusing on the utility operations.

It is our view that any opportunity for layering of additional technologies that go beyond obtaining the desired conservation and demand response should be considered by LDCs individually, or voluntarily by groups of LDCs as business cases within their particular set of circumstances.

This flexibility will ensure that technology is applied where opportunity for its benefit exists and will avoid the risk of a one time, full implementation of a system that does not maximize efficiency.

As previously described, the system we utilize has the full capability to perform Time of Use pricing and can adjust tariffs and time slots remotely through the use of Smart Card technology. It is the practice of providing the customer with information that is usable and predictable that has resulted in the conservation behavior.

The customer and customer behavior must be at the center of any metering plan to assist in the creation of the conservation culture. Recognition that not all customers will react the same to any given program is paramount for the success of this Provincial Government initiative. Therefore, mandating any one solution will drastically reduce, if not eliminate, the potential for the program's success.

Thank you for the opportunity to provide comment on this matter.

Sincerely

Ken Quesnelle, Vice President & Assistant General Manager
Woodstock Hydro Services Inc.