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August 18, 2004

Mr. John Zyck
Board Secretary
Ontario Energy Board
P.O. Box 2319
26th Floor, 2300 Yonge Street
Toronto, Ontario
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Dear Mr. Zyck:

Re: Implementation Plan For Smart Meters in Ontario - RP-2004-0196

The Consumers Council of Canada ("CCC") is in receipt of your letter to stakeholders regarding the Ontario Energy Board's ("OEB") response to fulfilling the Minister's Directive to the OEB, dated July 16, 2004, to provide an implementation plan for the Government's smart meter targets. We have reviewed the Ontario Energy Board Staff Discussion Paper, entitled, "Implementation Plan for Smart Meters in Ontario" ("Discussion Paper") and submit the following general comments about the OEB's review of the metering issues.

The CCC represents residential energy consumers in Ontario. Accordingly, we have a direct interest in the outcome of the OEB's review of these issues. Our primary concern with the initiative is that there has been no rationale provided by the Government to justify the implementation of 800,000 meters by 2007. Other than a general expectation that a move towards smart metering will minimize costs and maximize benefits to consumers we have seen no economic analysis to support this proposition. CCC believes that such an economic analysis is essential. Without it, the costs of moving forward may well exceed the benefits. CCC is of the view that the Board's consideration of these issues must include an assessment of the appropriateness of moving forward with the Government's target within the proposed time frame. Recommendations around the scope and timing of the metering initiative should be accompanied by detailed economic analysis.

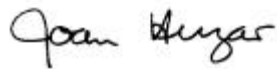
CCC also has the following concerns about the initiative:

1. The value of smart metering depends upon the rate structures in place at the time the meter is installed. The OEB's consideration of the standard supply pricing will not be until after the review of metering options has been completed. There must be some consideration in this review of pricing options. Without it the costs and benefits cannot be adequately examined.

2. The value of different metering options as applied to Ontario has not been assessed. In effect, the practical response of Ontario consumers to pricing changes is not known. Accordingly, it will be important for the OEB to consider the extent to which pilots are required. Without the implementation of pilot programs CCC is of the view that it will be impossible to consider an overall cost/benefit analysis. Moving forward without pilots could result in unnecessary expenditures and further increases to overall electricity costs without corresponding benefits.

Overall, CCC recognizes that there may be value to Ontario consumers with the implementation of smart meters. However, we cannot understate the importance of determining how best to move forward on the basis of detailed cost/benefit analyses. The OEB's review must give careful consideration to the overall costs and benefits of all of the options and ensure that these analyses are comprehensive. Consumers in Ontario must be convinced that the benefits of the metering initiatives clearly outweigh the costs.

Yours truly,



Joan Huzar
President

cc Honourable Dwight Duncan, Minister of Energy