

## **SMART METERS**

1. The approved CDM program for GSHi included a smart meter pilot project, which will allow the corporation to determine the best technology to deploy to fulfill the LDC responsibility for communication devices, regional collectors, control computers and the associated networks. It is GSHi plan to proceed with the plan once the Ministry of Energy issues the functional specifications for advanced metering, certifies vendors who can meet the functional specifications, determines the bridge and take out financing alternatives that will be made available and establishes the price point or price cap at which the LDC must deliver these services. Until the aforementioned issues are resolved GSHi feels it will not be prudent to roll out a comprehensive metering solution within our service territory. Based on previous announcements the provincial commitment is to roll out approximately 800,000 smart meters by 2008 and those announcements specified that this target would be delivered by a selection of the largest LDC in the province. GSHi was not listed as one of targeted utilities accordingly; the utility did not request specific funding or deferral accounts associated with a comprehensive smart meter rollout. If our understanding is incorrect we ask for your direction.
2. GSHi is proceeding with its smart metering initiative in order to establish the best equipment to meet the unique environmental, physical topography and communication issues in establishing a smart meter program in our service territory. Based on the results of the pilot, which incorporates the issues raised in the response provided to question 1 it is GSHi intention to issue a turnkey contract to one of the certified smart metering providers such as but not limited to Olameter or OZZ Corporation. They in turn would have the responsibility of executing the comprehensive in the field smart meter system installation under a fixed price contract, which would fall within the provincially established price cap.
3. Until the issues noted in our response to questions 1 and 2 are established GSHi feels there is no methodology under which a funding request could be made in 2006 for a smart metering program beyond the previously approved pilot. Furthermore it is not GSHi intention to take a leadership or early adopter role in developing this provincially significant initiative due to internal constraints on diverting existing or sourcing suitably qualified individuals to move this initiative forward. Should these circumstances change we will approach the OEB to establish either a variance account or to source funding for additional spending. We ask for your direction should our approach be determined to be inappropriate.