



January 20, 2006

Director General
Telecommunications Policy Branch
Industry Canada
300 Slater Street
Ottawa ON K1A 0C8

Re: DGTP-004-05 Proposals and Changes to the Spectrum in Certain Bands Below 1.7 GHz, December 2005

Dear Sir/Madam:

Chatham-Kent Hydro provides this letter to applaud and voice our support for the new policies being applied to the frequency band 220-222 MHz.

As you are likely aware, the electricity industry is undergoing fundamental changes throughout Canada as utilities address the increasing challenge of providing reliable and affordable electricity in the face of increasing uncertainty of supply. Energy prices have become more volatile, particularly during periods of peak demand, which translates into more costly electricity for residential and industrial consumers. Furthermore, electricity demand continues to rise while electricity supplies are diminishing as old technology generation plants (e.g. coal) are being decommissioned to support Canada's commitment to reduce greenhouse gas emissions in accordance with the Kyoto Accord.

To address today's challenges, utilities are implementing significant infrastructure improvements to increase operating efficiencies by automating the monitoring and control of distribution systems. The need to improve utility operations is illustrated by the fact that most utilities are not aware of a power outage until a customer calls to complain; this is an untenable situation in a modern society. Hence utilities are actively looking for pragmatic solutions to automate their systems, where such solutions involve a far-reaching, yet cost-effective communications networks.

In addition, utilities are actively engaging consumers, notably residential consumers, in the efficient management of the electricity system particularly during periods of peak demand. This move is precipitated by the desire of consumers to have choice in their supply of electricity, particularly with respect to when they use it and how much they pay for it. To empower consumers, utilities must collect more information from electricity meters in order to share detailed usage data with consumers on a daily basis. Residential consumers are also contributing to reducing demand during peak periods by participating in load control programs that involve



the active reduction of consumption in residential properties (e.g. air conditioning units, hot water tanks). .As is the case for improving operational efficiencies, integrating consumers more closely as active participants of the electricity market requires a widely available, yet practical communications solution.

The 220-222 MHz frequency band is very well suited to provide the aforementioned communications solutions. The characteristics of the VHF band are conducive to providing broad, yet reliable coverage to both urban and rural service areas. And technologies are available today dedicated to utility applications and taking advantage of the 5 kHz channel spacing to optimize spectrum use.

In meeting our commitment to provide essential services to Canadian consumers, as well as living up to our social and environmental responsibilities, we encourage Industry Canada to implement the subject policies without delay, thereby ensure the priority of availability of spectrum to utilities. We further encourage Industry Canada to establish a pricing model for the 220-222 MHz band that ensures affordable telemetry solutions and promotes rapid adoption of automation and demand response programs.

Thank you very much for the consideration being applied to Canada's electricity system. If you have any questions or wish clarification on any issue, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dave Kenney', written in a cursive style.

Dave Kenney
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