

Q. (Reference CA-NP-054)

- a) What purpose does the analysis in the AMI Update serve? Does NP typically consider costs of a project while ignoring the benefits?
- b) What costs would be avoided if smart meters were implemented? For example, what meter reading costs and vehicle and support system costs would be avoided with AMI technology?
- c) Has NP ever undertaken a fulsome review of AMI (smart meters)? If so, please identify the cost of the review and file the fulsome review.
- d) Is it possible for NP to undertake a preliminary review of smart meters identifying all costs and benefits prior to incurring the \$2.5 million cost of a fulsome review, particularly when numerous other jurisdictions have undertaken and published their reviews of AMI technology?
- e) What studies are being advanced by NP that will “help quantify the potential benefits of an AMI implementation”?
- f) Is load shifting only one of numerous benefits of AMI? Could a preliminary study of AMI be undertaken based on the numerous benefits of AMI without detailed knowledge of load shifting potential?
- g) Footnote 2 states “*Newfoundland Power estimates the cost of a fulsome business case for AMI to be approximately \$2.5 million and would take roughly 16 months to complete.*” Please provide the basis for this estimate and timeline. Please cite examples of other “fulsome business cases” that have been undertaken by NP showing the costs and time spent.

- A.** a) The AMI Update, and analyses therein, has been provided in accordance with Order No. P.U. 3 (2025), where the Board directed Newfoundland Power to file an update on its review of the implementation of AMI as part of its *2026 Capital Budget Application*. In Order No. P.U. 3 (2025), the Board noted that the Company is advancing studies that will help quantify the potential benefits of an AMI implementation and found that Newfoundland Power should not be directed to provide a cost benefit analysis with respect to an AMI implementation at this time.¹

Pertinent information provided in the AMI Update is summarized in the response to part b) of Request for Information CA-NP-054, though it should be considered in conjunction with the AMI Update, in full.

For the reasons outlined in the AMI Update, the Company has not completed a fulsome business case assessment for AMI at this time.² See also the response to part a) of Request for Information CA-NP-093, which provides context regarding the transition to AMI technology for other Atlantic Canadian utilities compared to Newfoundland Power.

¹ Order No. P.U. 3 (2025), page 64, lines 8-9 and 13-14.

² Fulsome business cases consider all known costs and benefits.

- 1 b) If AMI technology was implemented, the costs to operate the Company's
2 automated meter reading ("AMR") technology would be avoided. As outlined in
3 the AMI Update, and as detailed in part a) of the response to Request for
4 Information CA-NP-054, the annual cost for operating AMR technology in 2025 is
5 approximately \$1.4 million.³ The annual costs associated with operating AMI
6 technology are estimated to be approximately \$2.0 million in 2025 dollars, or
7 more than 40% higher than the annual costs to operate AMR technology.⁴
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9 Other potential positive benefit-to-cost use cases of AMI technology are outlined
10 in the AMI Update.⁵
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12 c) No, Newfoundland Power has not previously completed a fulsome business case
13 for AMI.
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15 d) Yes, as provided in the AMI Update, the Company has been developing its
16 business case for AMI as a preliminary step. In addition to continuing to refine its
17 preliminary cost estimates, Newfoundland Power is also assessing potential use
18 cases associated with AMI technology that could provide benefits to customers,
19 net of the associated costs.⁶
20
21 e) A key potential positive benefit-to-cost use case of AMI technology is related to
22 demand response initiatives, such as time varying rates. The potential benefit of
23 time-varying rate structures is currently being assessed as part of the next five-
24 year conservation, demand management and electrification ("CDME") plan. The
25 results of the *EV Load Management Pilot Project* are also being assessed as part
26 of the CDME plan process and will be included as part of the utilities' next CDME
27 plan.
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29 See the response to Request for Information CA-NP-051 for further information
30 on the CDME plan.
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32 f) See parts b), d) and e) of this Request for Information.
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34 g) The estimate and timeline of a fulsome AMI business case is based on the
35 Company's experience associated with the transition to its modern Customer
36 Information System ("CIS"). The assessment of CIS cost \$1.2 million and
37 occurred primarily over 2019 and 2020, and that cost was included in the
38 Company's 2019 and 2020 revenue requirements approved by the Board in
39 Order No. P.U. 2 (2019).⁷ Following the assessment, the process for Board

³ See page 4 of the AMI Update.

⁴ This information is also outlined on page 4 of the AMI Update and detailed in part a) of the response to Request for Information CA-NP-054.

⁵ See page 4 of the AMI Update.

⁶ *Ibid.*

⁷ For further information on the CIS assessment, see the response to Request for Information PUB-NP-008, filed as part of Newfoundland Power's *2019/2020 General Rate Application*.

1 approval occurred from 2020 to 2021. The CIS project was then substantially
2 completed over the three-year period of 2021 to 2023 at a cost of \$30.4 million.⁸
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4 An AMI project would be larger and more complex than the CIS project,
5 therefore requiring increased external expertise in the assessment stage when
6 compared to what was required for the CIS assessment.⁹ An AMI assessment
7 would also include a fulsome cost-benefit analysis which was not necessary for
8 the CIS project. Current market costs for consultants would also be higher than
9 in 2019 and 2020. These factors would increase the cost to complete the AMI
10 assessment when compared to the CIS assessment, albeit within a similar
11 timeline.

⁸ See page 17 of the *2024 Capital Expenditure Report*.

⁹ The estimated capital cost of an AMI implementation in Newfoundland Power's service territory, on a preliminary basis, is \$118 million, or almost four times greater than the cost of the CIS implementation and requires significantly more infrastructure to be installed throughout the Company's service territory.