

October 23, 2026

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: Mike McNiven
Board Secretary

Dear Mr. McNiven:

Re: Newfoundland Power's 2027 Capital Budget Application – Consumer Advocate's Motion Requesting an Independent Assessment of Advanced Metering Infrastructure – Submission of Newfoundland Power Inc.

Please find enclosed the Submission of Newfoundland Power in relation to the Consumer Advocate's Motion requesting an independent assessment of advanced metering infrastructure, filed as part of the Company's *2027 Capital Budget Application*.

If you have any questions, please contact the undersigned.

Yours truly,



Dominic Foley
Legal Counsel

Enclosures

c. Shirley A. Walsh
Newfoundland and Labrador Hydro

Adrienne Ding
O'Dea Earle Law Offices

Newfoundland Power Inc.

55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6

PHONE (709) 737-5500, ext. 6200 • FAX (709) 737-2974 • dfoley@newfoundlandpower.com

IN THE MATTER OF the *Public
Utilities Act* (the "Act"); and

IN THE MATTER OF an application by
Newfoundland Power Inc. for an order pursuant
to sections 41 and 78 of the Act:
(a) approving its 2027 Capital Budget; and
(b) fixing and determining its 2025 rate base.

**SUBMISSION OF
NEWFOUNDLAND POWER INC.
In Response to the Motion of the Consumer Advocate dated
September 10, 2026**

October 23, 2026

Whenever. Wherever.
We'll be there.



TABLE OF CONTENTS

	Page
1.0 INTRODUCTION.....	1
2.0 GOVERNING FRAMEWORK AND PROCESS	3
3.0 THE CONSUMER ADVOCATE’S MOTION.....	8
4.0 THE RECORD ON AMI.....	9
5.0 THE AMI BUSINESS CASE	11
5.1 AMI Cost Estimates	14
5.2 Avoided AMR Costs.....	17
5.3 Potential Use Cases	20
5.4 Other Items Related to the AMI Business Case.....	24
5.5 Overall Assessment of the AMI Business Case	29
6.0 OTHER ISSUES RAISED BY THE CONSUMER ADVOCATE	31
6.1 Utility Expertise	31
6.2 Util-Assist and Hydro’s Evidence	32
6.3 Independent Verification and Board-Retained Experts.....	35
7.0 ISSUES REGARDING THE CONSUMER ADVOCATE’S PROPOSED ASSESSMENT	38
7.1 Scope and Duplication	38
7.2 Cost and Regulatory Efficiency	39
7.3 Timing	39
8.0 CONCLUSION	41

1.0 INTRODUCTION

Newfoundland Power Inc. ("Newfoundland Power" or the "Company") filed its *2027 Capital Budget Application* (the "Application") with the Board of Commissioners of Public Utilities of Newfoundland and Labrador (the "Board") on May 29, 2026.

As part of the Application, Newfoundland Power filed its *2027 CBA AMI Update* (the "2027 Update") in compliance with Order No. P.U. 38 (2025). The 2027 Update builds upon the update previously filed with the Company's *2026 Capital Budget Application* (the "2026 Update"). The 2027 Update includes: (i) an updated jurisdictional scan of utility metering practices across Canada; (ii) an update on government funding opportunities; and (iii) a preliminary cost benefit analysis of implementing Advanced Metering Infrastructure ("AMI") in Newfoundland Power's service territory.

On September 10, 2026, the Consumer Advocate filed a Motion seeking an order directing that an independent assessment of AMI be undertaken by a consultant retained by and reporting to the Board (the "Motion"). In the Motion, the Consumer Advocate asks, among other things, that the assessment be undertaken pursuant to terms of reference settled by the Board and that the resulting report be filed with the Board no later than a date that permits it to inform Newfoundland Power's 2028 Capital Budget Application.¹

Newfoundland Power submits that the Motion should be denied. Directing an independent assessment of AMI is neither necessary nor in the best interests of Newfoundland Power's customers. The evidentiary record developed throughout the Company's *2025/2026 General*

¹ Newfoundland Power's *2028 Capital Budget Application* is anticipated to be filed no later than June 30, 2027.

1 *Rate Application* (the “2025/2026 GRA”), *2026 Capital Budget Application*, and the current
2 proceeding provides the Board with a sufficient basis to determine the matters that are properly
3 before it in the Application. Specifically, the Company’s preliminary assessment of an AMI
4 implementation in its service territory is supported by external expertise and studies, internal
5 expertise, Canadian utility best practice, and consideration of other AMI deployments in Atlantic
6 Canada. The Consumer Advocate has not identified a specific error or deficiency in the
7 evidentiary record that would reasonably be expected to overcome the preliminary negative net
8 present value (“NPV”) of approximately \$37 million.

9
10 The requested process would also be inconsistent with regulatory efficiency. The Consumer
11 Advocate did not fully use the established capital budget application (“CBA”) process to test the
12 matters now being raised in the Motion, did not file expert evidence, and provides no estimated
13 cost of the proposed independent assessment. The proposed terms of reference also overlap
14 substantially with the existing preliminary assessment while omitting the detailed engineering
15 and implementation work required to support approval of an AMI capital project.²

16
17 Overall, the proposed process would be duplicative and increase costs borne by customers. The
18 Consumer Advocate has provided no evidence that the proposed process is consistent with
19 industry best practice or that it would produce a materially different result than the Company’s
20 preliminary assessment. For these reasons, the process proposed in the Motion is not consistent
21 with the provision of least cost reliable service or industry best practice.

² Further, as provided in both the 2026 and 2027 Updates, detailed engineering and implementation work typically occurs closer to when an asset is proposed to be commissioned as to not duplicate efforts associated with project implementation. This is because factors that impact a project change over time and therefore any prior engineering work completed would need to be revisited, or redone, based on then-current circumstances.

1 This submission will: (i) review the governing framework and procedural history; (ii) summarize
2 the existing AMI record; (iii) respond to issues raised in the Motion; and (iv) address the relief
3 sought.

5 **2.0 GOVERNING FRAMEWORK AND PROCESS**

6 Section 37(1) of the *Public Utilities Act* (the "Act") requires a public utility to provide service and
7 facilities that are reasonably safe and adequate and just and reasonable. Section 41 of the Act
8 requires the filing of an annual capital budget for proposed improvements or additions to utility
9 property. Section 3(b) of the *Electrical Power Control Act, 1994* (the "EPCA") requires the
10 management and operation of power facilities in a manner that supports efficient production,
11 transmission and distribution and delivery of power to customers at the lowest possible cost
12 consistent with reliable service in an environmentally responsible manner.

13
14 The purpose of a capital budget proceeding under section 41 of the *Public Utilities Act* is to
15 determine whether the proposed capital expenditures contained in an application are
16 reasonably required for a utility to meet its statutory obligations. The Board's review may also
17 encompass related matters relevant to its consideration of the proposed capital expenditures,
18 and the Board may direct that particular matters be addressed through the capital budget
19 process. For example, the Board directed Newfoundland Power to file an update on its review of
20 the implementation of AMI as part of its *2027 CBA*.³

21
22 The Board issued a schedule of dates for hearing the Application on June 12, 2026. The
23 schedule provided for, among other items, an introductory presentation, a technical conference,

³ Order No. P.U. 38 (2025), page 16, lines 29-31.

1 two rounds of requests for information ("RFIs") and the filing of intervenor evidence. All parties
2 to the Application had an opportunity to provide input on the adequacy and content of the
3 review schedule. The schedule made no provision for, and the Consumer Advocate did not
4 request, the filing of intervenor motions. A revised schedule of dates was issued on August 19,
5 2026 and again on September 1, 2026. The procedural steps provided for in the revised
6 schedules did not change.

7
8 Newfoundland Power gave an introductory presentation on the Application on June 29, 2026.
9 Board staff, Newfoundland and Labrador Hydro ("Hydro") and the Consumer Advocate attended
10 the presentation.

11
12 On July 6, 2026, Newfoundland Power received 14 RFIs issued by the Board, as well as 12 RFIs
13 issued by Hydro and 49 RFIs issued by the Consumer Advocate. In total, 75 RFIs were received.
14 Newfoundland Power responded to these RFIs on July 27, 2026.

15
16 On August 3, 2026, the Consumer Advocate requested a technical conference on the
17 Application in relation to eight specific issues. On August 4, 2026, the Board provided two
18 additional issues to be included in the technical conference. On August 10, 2026, the Board
19 advised that three of the eight issues raised by the Consumer Advocate in its request for a
20 technical conference would be included, noting that the remaining five issues were not
21 appropriate for a technical conference. None of the issues raised by the Consumer Advocate in
22 its request for a technical conference related to AMI.

23
24 On August 27, 2026, an additional 10 RFIs were received from the Board, 7 RFIs were received
25 from Hydro, and 41 RFIs were received from the Consumer Advocate. Newfoundland Power

1 responded to these RFIs on September 17, 2026. A total of 133 enumerated RFIs have been
2 answered as part of this proceeding, 90 of which related to questions posed by the Consumer
3 Advocate.

4
5 As part of the Application process established by the Board, the Consumer Advocate had
6 established means to request the assumptions, methodologies, calculations and supporting
7 information underlying the Company's 2027 Update. During the first round of RFIs, the
8 Consumer Advocate asked three RFIs relating to AMI that canvassed a broad range of matters
9 and only one of the Consumer Advocate's round-two RFIs mentioned AMI, in the context of
10 Newfoundland Power's load research study.⁴ In all material respects, the RFIs did not address
11 detailed matters regarding the Company's NPV analysis, which the Consumer Advocate now
12 submits warrant independent examination.

13
14 Newfoundland Power has provided additional explanation and clarification in this response
15 concerning matters that could have been pursued through the established Application
16 procedures. In many instances, the information now provided responds to matters that the
17 Consumer Advocate could have explored through RFIs, expert evidence or the technical
18 conference process available in this proceeding. Newfoundland Power is providing this
19 information to respond fully to the issues now raised by the Consumer Advocate,
20 notwithstanding that those issues could have been developed and tested through the process
21 previously established by the Board.

⁴ CA-NP-020, CA-NP-021 and CA-NP-022, CA-NP-062, part d).

1 This is relevant from the perspective of the parties' procedural expectations, particularly those
2 of Newfoundland Power as the Applicant. The Board's historical, established capital budget
3 regulatory process and review schedule form the basis of the reasonable procedural
4 expectations of the parties before the Board. In the context of general rate applications, for
5 example, the Board has made specific provision for the process surrounding motions through
6 procedural orders issued for those proceedings.⁵ These procedural requirements are
7 communicated to all parties before the evidentiary record is developed. The Board has not
8 historically issued comparable procedural orders ahead of CBAs. The introduction of additional
9 substantive procedural steps in the Board's review schedule is outside the established review
10 schedule agreed to by the parties and is also outside Newfoundland Power's reasonable
11 procedural expectations and experience.

12
13 This is also relevant from a regulatory-efficiency perspective. The established process provides
14 an orderly means for parties to develop and test the evidentiary record within the schedule
15 established by the Board. Where matters that could have been pursued through that process
16 are instead raised through a separate motion, additional process is required for Newfoundland
17 Power and other parties to respond and for the Board to consider the requested relief. In this
18 case, that has resulted in a separate written-comments process addressing matters that could,
19 to a significant extent, have been explored through the procedures already established for the
20 Application. Newfoundland Power submits that avoiding unnecessary duplication of regulatory
21 process and the associated costs ultimately borne by customers is an important consideration in
22 assessing the relief sought in the Motion.

⁵ See for example Order No. P.U. 5 (2024).

1 At paragraph 29 of the Motion, the Consumer Advocate states that it is prepared to respond to
2 any submissions filed by Newfoundland Power or other intervenors. Newfoundland Power
3 submits that a further opportunity for submissions is neither necessary nor appropriate.
4 Permitting the Consumer Advocate to file further comments in response would introduce an
5 additional procedural step that is not provided for in the established process for the Application.
6 This would amount to a greater departure from the procedural expectations of the parties.
7 Newfoundland Power therefore submits that the Board should determine the Motion on the
8 basis of the existing record and the parties' submissions filed to date.

9
10 The manner in which the issues raised in the Motion were addressed during the Application
11 process is also relevant in assessing the relief now sought. The Consumer Advocate filed no
12 expert evidence or competing cost-benefit analysis and did not comprehensively use the RFI
13 and technical conference processes to test the matters now identified in paragraph 20 of the
14 Motion. In Newfoundland Power's submission, regulatory efficiency does not favour
15 commissioning a separate Board-directed assessment where the Consumer Advocate could have
16 developed and filed its own expert evidence and could have raised and tested the issues
17 identified in the Motion through the established Application process.

18
19 Newfoundland Power submits that the relief sought in the Motion is different in nature from the
20 determination ordinarily required in a capital budget proceeding. It does not concern the
21 approval or refusal of a proposed AMI expenditure, but rather seeks to initiate a separate
22 independent assessment intended to develop evidence for a potential future project.

23 The Board previously directed Newfoundland Power to continue its review of AMI and to file
24 successive updates. Newfoundland Power has complied with those directives. The Consumer
25 Advocate has not identified a new circumstance or evidentiary deficiency that requires

1 departure from the process established by the Board. Furthermore, the Consumer Advocate has
2 not taken the opportunity to present evidence on this matter as part of the 2027 CBA as
3 afforded by the established regulatory process.

5 **3.0 THE CONSUMER ADVOCATE'S MOTION**

6 The Motion identifies a number of matters proposed for further review, including avoided AMR
7 costs, remaining AMR life, load management, customer service, field operations, capital and
8 operating costs, project timing, funding and experience in other jurisdictions. These subjects
9 substantially correspond to the components already considered in Newfoundland Power's
10 preliminary assessment as summarized in section 4.0 of this reply as well as further addressed
11 in section 5.0 of this reply.

12
13 The Consumer Advocate's positions in the Motion rest principally on the following propositions:
14 (i) Newfoundland Power's assessment is preliminary and has not been independently verified;
15 (ii) utility-prepared information is subject to "structural limitations"; (iii) continued AMR
16 investment may create stranded costs; (iv) AMI may broaden rate-design options capable of
17 reducing system costs; and (v) an assessment completed by a Board-retained consultant is
18 required to determine whether, when and on what terms AMI would be in the interests of
19 customers.⁶ Newfoundland Power responds to each of these matters in sections 5.0 and 6.0 of
20 this reply.

21
22 The Consumer Advocate asks that the Board retain a consultant, settle terms of reference after
23 further submissions, direct Newfoundland Power to provide access to records and internal

⁶ Motion, paragraphs 3, 19, 21, 22 and 23.

analysis, and require a public report in time to inform the Company's 2028 Capital Budget Application.⁷ Issues associated with the Consumer Advocate's proposed process are outlined in section 7.0 of this reply.

4.0 THE RECORD ON AMI

Newfoundland Power has assessed AMI over a number of years and has progressively expanded the record as additional information became available. The Company's existing AMR system was implemented between 2013 and 2018 following Board approval. Before seeking approval, Newfoundland Power undertook progressive assessments to ensure the project would be cost-beneficial for customers upon application to the Board.⁸ AMR has reduced meter-reading costs, improved billing accuracy and provided safety and operational benefits.

Newfoundland Power estimates lower meter-reading costs of approximately \$28 million over 2013 to 2024 as a result.⁹ The Company's AMR fleet has an estimated age of 11 years and is expected to require mass replacement in the mid-2030s.¹⁰

During the Company's 2025/2026 GRA, Newfoundland Power described AMI capabilities and explained that AMI requires meter-reading technology, communications infrastructure and other supporting infrastructure that are distinct from AMR.¹¹ The Board found in Order No. P.U. 3 (2025) that AMI could provide additional benefits, but the evidence did not support a change at that time. The Board directed an update with the 2026 CBA.

⁷ Motion, paragraph 26.

⁸ See the 2026 Update, pages 1-2. See also Order No. P.U. 31 (2012).

⁹ Newfoundland Power's *Final Submission* on its *2026 Capital Budget Application*, page 20, lines 6-8.

¹⁰ 2026 Update, pages 1-2.

¹¹ See Newfoundland Power's *2025/2026 GRA, Rebuttal Evidence*, section 4.6, pages 47-49.

1 The 2026 Update provided a jurisdictional scan, funding information, preliminary capital and
2 operating costs and potential use cases. It estimated capital costs of approximately \$118 million
3 and annual operating costs of approximately \$2.0 million in 2025 dollars, which were prepared
4 with the assistance of Capgemini Canada Inc. ("Capgemini"), one of the world's five largest
5 management and information technology consulting companies.¹² The Company also explained
6 that a fulsome business case would cost approximately \$2.5 million and require roughly 16
7 months to complete.¹³ In Order No. P.U. 38 (2025) in relation to the Company's 2026 CBA, the
8 Board again found that the evidence did not support a transition to AMI and directed a further
9 update as part of the Company's next capital budget application.

11 The 2027 Update advanced the analysis by quantifying implementation and operating costs,
12 avoided AMR costs and benefits from load management, customer service and field operations.
13 The resulting preliminary NPV is negative by approximately \$37 million.¹⁴ The Company stated
14 that, although individual inputs would be refined through detailed engineering, it did not expect
15 the business case to change substantially in the near term, absent government funding.¹⁵

17 The Posterity Group Potential Study (the "Potential Study") informs the load-management
18 component of the assessment. It evaluated time-of-use ("TOU") and critical peak pricing over
19 the 2025 to 2040 timeframe. The Potential Study also identified challenges associated with
20 time-varying rate ("TVR") structures arising from the Island Interconnected System's ("IIS")
21 peak characteristics and relatively low customer adoption rates for TVR structures.¹⁶

¹² 2026 Update, footnote 12. See also <https://www.capgemini.com/ca-en/about-us>.

¹³ 2026 Update, page 1, footnote 2. See also CA-NP-095, part g) filed as part of the Company's 2026 CBA.

¹⁴ 2027 Update, sections 4.2-4.4, pages 4-7. A negative NPV result indicates that a project is not the least-cost option for customers compared with the alternative against which it was evaluated.

¹⁵ 2027 Update, pages 6-7.

¹⁶ 2027 Update, section 4.3, page 5.

The Util-Assist report referenced by the Consumer Advocate in paragraphs 14 through 18 of the Motion was prepared for Hydro in 2020 for a materially different system and customer base. The assessment is historical and relates to the transition of rural customers from electromechanical metering. It therefore does not provide a direct comparison to Newfoundland Power's current AMR meter reading technology. The Util-Assist report is part of the broader record but is not an AMI assessment for Newfoundland Power.

Taken together, the record includes Newfoundland Power's operational data, Capgemini-assisted cost estimates, the Posterity Study, Canadian jurisdictional experience, the Util-Assist report, the 2026 Update and 2027 Update, multiple written submissions from Newfoundland Power (including Rebuttal Evidence and Final Submissions in the 2025/2026 GRA and Final Written Submissions in the Company's 2025 CBA), and multiple rounds of RFIs in the current proceeding. Newfoundland Power submits that the absence of an independent verification does not, on its own, make that evidence unreliable.

5.0 THE AMI BUSINESS CASE

The Consumer Advocate submits that the current record is insufficient to determine whether AMI deployment would be in the interests of ratepayers and that a full assessment and business case is required by means of an independent assessment.¹⁷ In support of its position, the Consumer Advocate relies principally on the preliminary nature of the AMI business case provided in the 2027 Update, and the fact that its underlying assumptions are subject to change following a fulsome engineering assessment required to support an AMI implementation.¹⁸

¹⁷ Motion, paragraphs 19 and 20.

¹⁸ This point was repeated throughout the Motion in paragraphs 3, 7, 9 and 12.

This section provides additional information and support for each component of the AMI business case provided in the 2027 Update. Before addressing those components, it is important to highlight several aspects of the Consumer Advocate's consideration and treatment of the evidentiary record, as well as its use of the CBA process, that informs the Motion and consequently, the scope of Newfoundland Power's reply:

(i) The Consumer Advocate does not acknowledge that the Company has stated that, while preliminary, the business case for an AMI implementation is not expected to change substantively in the near term, absent government funding.¹⁹

(ii) The Consumer Advocate does not adequately recognize the materiality of a negative NPV of approximately \$37 million associated with an AMI implementation at this time. The evidence indicates that upfront capital implementation costs would need to be approximately \$58 million lower, or roughly *half* of the preliminary cost estimates, for the AMI business case to produce a positive result of \$8 million on a NPV basis.²⁰ If the negative NPV result were to be offset by higher future benefits or lower annual operating costs associated with AMI technology, as opposed to lower upfront capital costs, the amount would be significantly higher.²¹

(iii) As outlined in section 2.0 of this reply, the Consumer Advocate did not fully use the Application process to develop and test its position on the AMI business case. As an

¹⁹ 2027 Update, page 7.

²⁰ 2027 Update, page 7, footnote 38. In dollars, the amount is approximately \$58 million (\$118 million x 49.2%). For comparison, and as provided in footnotes 14 and 38 of the 2027 Update, Maritime Electric's AMI business case was a positive \$7 million with funding of 49.2% of its project costs.

²¹ For example, AMI benefit estimates would need to be approximately \$80 million higher (based on an annual average estimate of \$4 million over the 20 year life of the project) to provide for a positive NPV result.

example, in subparagraph 20(i) of the Motion, the Consumer Advocate submits that the deployment experience in comparable jurisdictions should be examined. The Consumer Advocate had the opportunity in the normal course to retain a consultant to undertake that jurisdictional analysis and file the resulting evidence in this proceeding. It did not do so, and now asks the Board to retain a consultant to undertake that work. In Newfoundland Power's view, the Consumer Advocate's decision to not develop or file such evidence through the established process does not provide a basis for directing Newfoundland Power or the Board to undertake the requested assessment.

(iv) The Consumer Advocate provides no evidentiary basis for the statement in paragraph 21 of the Motion that Newfoundland Power is not a "neutral source" of a business case analysis or that "structural limitations" restrict the usefulness of utility-prepared information. Newfoundland Power submits that these comments do not appropriately consider the regulatory construct, the Board's longstanding regulatory practice, or Newfoundland Power's demonstrated experience in assessing and implementing major capital projects.²² The implications arising from those statements are significant and, in the Company's view, without merit.

(v) Consistent with prior proceedings, the Consumer Advocate's submissions on AMI do not consider the fulsome evidence on the record of the respective proceeding associated

²² Newfoundland Power's average rate base of \$1.4 billion as of December 31, 2025 is the cumulative effect of Company applications with supporting information, Board processes and Board approvals. Newfoundland Power's total rate base reflects the successful implementation of many large multi-year projects that required business case assessments, such as the Company's transition to AMR technology over the 2013 to 2018 timeframe, its transition to LED technology over the period 2021 to 2026 and the implementation of the CIS project over the 2021 to 2023 timeframe. Newfoundland Power has also recently filed an application for approval of its project to replace its Wesleyville and Greenhill thermal units over the 2027 to 2031 timeframe with expenditures totaling \$242.1 million.

with the issues being raised. Further, the Consumer Advocate has filed no evidence that would be contradictory to Newfoundland Power's evidence on those issues.

5.1 AMI Cost Estimates

The Consumer Advocate questions the basis and reasonableness of the capital and operating costs provided by Newfoundland Power in the 2027 Update.²³

Newfoundland Power estimates that the capital cost associated with an AMI implementation in its service territory is approximately \$118.0 million.²⁴ As provided in the 2026 Update, the cost estimate was prepared with the assistance of Capgemini. Capgemini has significant experience with AMI technology, successfully designing and delivering AMI projects that include more than 170 million smart meters, including AMI implementations in Ontario and British Columbia.²⁵ Capgemini's expertise and experience supports its ability to provide sound cost estimates for an AMI implementation in Newfoundland Power's service territory.

With respect to major assumptions underpinning the capital cost estimate, approximately \$82 million, or almost 70% of the total amount of \$118 million, relates to the cost of AMI meters and their installation.²⁶ The cost of the AMI meters is based on cost information provided by a major meter manufacturing company. The installation cost is based on average industry costs and reflects the type of meter installations that would occur throughout the Company's service territory, including urban and rural locations and residential and general service customer classes.

²³ Motion, subparagraphs 20(f) and 20(g).

²⁴ In 2025 dollars. See the 2027 Update, section 4.2 *Preliminary Cost Estimates*.

²⁵ See, for example, <https://www.capgemini.com/ca-en/solutions/next-gen-ami>.

²⁶ 2027 Update, Table 1. The overall \$118 million cost estimate includes a 10% cost contingency, which is allocated across each cost category in Table 1.

1 Approximately \$19 million, or 16% of the total cost, relates to network, systems and integration
2 costs which are based on a mesh communication network.²⁷ A mesh communication network
3 uses meters, data collectors and relays to allow information to travel through multiple
4 interconnected paths to the head-end system. A mesh communication network is the most
5 common approach used for AMI systems and is used by each of the other AMI implementations
6 in Atlantic Canada.²⁸

7
8 The remaining \$17 million, or 14% of the total cost, relates to project engineering, resourcing
9 and training requirements. A successful AMI implementation would include project engineering,
10 program management, data management, testing, business process redesign, training, and
11 change management activities, as well as physical space.²⁹ These activities ensure that the new
12 AMI platform is properly designed, integrated with existing utility systems, tested prior to
13 deployment, and supported by adequately trained personnel. Newfoundland Power observes
14 that approximately 13% of Maritime Electric Company Limited ("Maritime Electric") AMI project
15 costs related to similar cost types.³⁰

16
17 As outlined in the 2027 Update, Newfoundland Power's circumstances are generally more
18 comparable to that of Maritime Electric than the other Atlantic Canadian utilities regarding their

²⁷ As provided in footnote 12 of the 2026 Update, AMI network types include mesh, point to point and point to multi-point and vary by utility due to factors such as service territory geography. A mesh network may incorporate the other communications types for unique circumstances, such as remote areas.

²⁸ Each of Nova Scotia Power, New Brunswick Power and Maritime Electric are employing Itron's AMI solution, which Itron describes as a self-forming, self-healing mesh network. See page 2 of <https://na.itron.com/o/commerce-media/accounts/-1/attachments/3797876>.

²⁹ These project requirements are substantially similar in context to those that were required for Newfoundland Power's CIS project.

³⁰ The 13% estimate is based on the following cost types outlined in paragraph 63 in Order No. UE24-06: internal labour and transportation (\$3.1 million), professional services (\$0.9 million), customer support (\$0.3 million), and sourcing and procurement (\$0.5 million), totaling \$4.8 million. \$4.8 million divided by the subtotal of project costs less contingency of \$36.9 million equals 13%.

1 respective AMI implementations. This is because Maritime Electric transitioned from a full AMR
2 system to AMI technology and it is the most recent Atlantic Canadian utility to transition to AMI,
3 having received approval in 2024.³¹ From an overall project cost level, the Company observes
4 that Maritime Electric's AMI capital project costs translate into a cost per customer of an
5 estimated \$449 per customer, which compares to an estimated cost per customer for
6 Newfoundland Power's AMI project of \$422 per customer.³² The lower estimated cost per
7 customer for Newfoundland Power's AMI project can be attributed to economies of scale
8 associated with a larger customer base, somewhat offset by inflationary cost increases since
9 2024.

10
11 Further, the Company observes that Maritime Electric's AMI project is scheduled to occur over a
12 three-year period, involving 86,000 customers. This compares to Newfoundland Power's
13 anticipated project timeline of five years, which involves approximately 280,000 customers. The
14 time difference is the result of a larger customer base and larger service territory for
15 Newfoundland Power when compared to Maritime Electric.³³

³¹ See Order No. UE24-06 issued by the Prince Edward Island Regulatory and Appeals Commission ("IRAC").

³² Maritime Electric total AMI project costs before funding were \$38.6 million (paragraph 63 in Order No. UE24-06) and the utility had, at the time of Order No. UE24-06, approximately 86,000 customers (see paragraph 20 of the order). $\$38.6 \text{ million} / 86,000 \text{ customers} = \$449/\text{customer}$. Newfoundland Power's capital cost estimate of \$118.0 million / its total customers of 279,640 as of December 31, 2025 = \$422/customer.

³³ Newfoundland Power's project timeline also is informed by its experience with the successful completion of other large multi-year projects such as the Company's transition to AMR technology over the 2013 to 2018 timeframe, its transition to LED technology over the period 2021 to 2026 and the implementation of the CIS project over the 2021 to 2023 timeframe. As previously discussed, the two-year pre-project period is to allow for a fulsome business case assessment, which includes project engineering, to be completed as well as for the regulatory process to occur for project approval. For example, the regulatory approval process for the CIS project occurred over a nine-month period. See Order No. P.U. 12 (2021).

With respect to operating costs, Newfoundland Power provided a breakdown of estimated annual operating costs for AMI in part a) of the response to RFI CA-NP-054, filed as part of the Company's 2026 CBA. As provided in that response, the \$2.0 million annual estimate, expressed in 2025 dollars, includes approximately \$1.1 million associated with operating and maintaining the head-end system and communications network, \$0.5 million associated with the meter data management system and \$0.4 million associated with integration systems. The basis for the estimates includes the licensing, subscription and internal labour requirements that would be necessary to operate and maintain these systems on an ongoing basis. The operating cost estimates were also developed with the assistance of Capgemini.³⁴

Overall, the Company submits that, while preliminary, its cost estimates and schedule are reasonable and would not be expected to change materially except for market cost increases. The estimates are informed by external expertise, manufacturer information, industry experience and a comparable and recent AMI implementation in Atlantic Canada.

5.2 Avoided AMR Costs

The Consumer Advocate questions the basis and reasonableness of the NPV benefit for avoided AMR costs provided by the Company in Table 2 of the 2027 Update, as well as Newfoundland Power's continued investment in the existing AMR system.³⁵

³⁴ As outlined in the 2027 Update, there would also be sustaining capital costs related to meter failures over the 20-year period asset life. The meter failure rate is 0.5% per year for the first 15 years and 1% in the last 5 years. In addition to AMI deployment services, Capgemini also currently manages more than 10 million meters—more than any other organization. See <https://www.capgemini.com/ca-en/solutions/next-gen-ami>.

³⁵ Motion, subparagraphs 20(a) and 20(b).

1 If AMI technology were implemented, the Company would no longer incur the capital and
2 operating costs associated with maintaining and operating its existing AMR system. These
3 avoided costs represent the largest benefit associated with an AMI implementation.

4
5 Newfoundland Power estimates the benefit of avoided AMR costs to be \$47 million on an NPV
6 basis, representing 51% of the approximately \$93 million in total estimated NPV benefits
7 associated with an AMI implementation.³⁶ For comparison, Maritime Electric estimated
8 approximately \$15.3 million in NPV benefits associated with no longer operating its AMR
9 system, representing 53% of its \$28.1 million in total estimated NPV benefits associated with its
10 AMI implementation.³⁷ Further, Newfoundland Power observes that Maritime Electric's total
11 estimated benefits equate to approximately \$327 per customer, which compares to
12 Newfoundland Power's total estimated benefits of approximately \$333 per customer under its
13 preliminary assessment.³⁸

14
15 Newfoundland Power's estimated NPV benefit of \$47 million is based on the current age of its
16 AMR system, the cost of AMR meters and annual operating costs. These are matters with which
17 the Company has substantial direct experience, having operated AMR technology for more than
18 a decade.³⁹ Newfoundland Power's implementation of AMR took place between 2013 and

³⁶ See Table 2 in the 2027 Update. \$47 million / \$93 million = 51%.

³⁷ See Maritime Electric's *2022 Supplemental Capital Budget Request: Advanced Metering for Sustainable Electrification Project, Appendix B*, pages 25-26, filed with IRAC on November 25, 2022. Benefits associated with AMR system cost reductions include: (i) meter reading and field services (36%), (ii) avoided meter replacement costs (8%), (iii) avoided cost of meter reading vehicles (5%), and (iv) handheld system (4%) for a total of 53%.

³⁸ *Ibid.* \$28.1 million / 86,000 customers = \$327/customer. For Newfoundland Power, total estimated benefits of \$93 million / total customers of 279,640 as of December 31, 2025 = \$333/customer.

³⁹ Support for these items have been provided in both the 2026 and 2027 Updates and associated processes. For example, operating costs associated with the Company's AMR system were detailed in the response to Request for Information CA-NP-054 filed in the *2026 Capital Budget Application* process.

2018.⁴⁰ The average age of its AMR meter fleet is an estimated 11 years.⁴¹ Based on these facts and the approximate 20-year life of an AMR meter, the Company's existing metering technology will require mass replacement in the mid-2030s. Given the implementation of the AMR system primarily took place over a relatively short timeframe, beginning in 2013, along with low failure rates experienced with the technology, AMR replacements are expected to be relatively stable and modest over the next five years with projected average capital expenditures of \$0.6 million over that timeframe.⁴²

Continued meter replacement is also necessary to satisfy ongoing operational and regulatory requirements. All customer meters installed by Newfoundland Power must be approved by Measurement Canada prior to installation and must subsequently meet Measurement Canada's sampling and testing standards.⁴³ These requirements, together with the need to replace failed meters and connect new customers, will continue to require capital investment in metering while the existing AMR system remains in service.

The Consumer Advocate also raises concerns regarding the potential obsolescence of the existing AMR system. These concerns were previously addressed as part of the Company's 2025/2026 GRA, as well as in the 2026 Update.⁴⁴ While adoption rates of AMI in electrical utilities have increased, Newfoundland Power notes that AMR and its predecessor technology, electromechanical metering, are both still used by Canadian electrical

⁴⁰ 2026 Update, page 2.

⁴¹ 2027 Update, page 2.

⁴² For AMR replacement costs over the 2027 to 2031 timeframe, see the *2027 Capital Budget Application, 2027-2031 Capital Plan*, Appendix A, page 2. The average budget for the Replacement Meters project is approximately \$0.6 million over the 2027 to 2031 timeframe.

⁴³ See Newfoundland Power's *2025 Customer Billing Review*, page 5.

⁴⁴ See *Newfoundland Power Rebuttal Evidence, 4.6 – Advanced Metering Infrastructure*, filed as part of Newfoundland Power's *2025/2026 GRA*.

1 utilities.⁴⁵ Further, Newfoundland Power has not received vendor notice of the
2 discontinuance of its AMR technology.

3
4 Accordingly, the avoided AMR cost benefit incorporated into the preliminary business case
5 reasonably reflects the expected future replacement and operating costs of the Company's
6 existing AMR system. At the same time, the current age and condition of that system do
7 not indicate a need for an immediate transition to AMI.

8 9 **5.3 Potential Use Cases**

10 The Consumer Advocate questions the basis and reasonableness of the NPV benefit for each of
11 the potential use case categories identified in Table 2 of the 2027 Update: load management,
12 customer service and field operations.⁴⁶

13
14 Potential use cases for AMI technology vary by utility, primarily due to the technologies in
15 place at the time of implementation as well as unique circumstances associated with the
16 utility's service territory.⁴⁷ For example, a utility transitioning from electromechanical
17 meters, particularly one that implemented AMI a number of years ago, may realize greater
18 incremental benefits than a utility transitioning from an AMR system and more modern
19 technologies today. In the latter case, customers benefit from intermediate technology
20 advancements related to metering, load management, customer service and field

⁴⁵ See section 2.0 of the 2027 Update. AMR is also used by water utilities across North America. See *Berg Insights, Smart Water Metering in Europe and North America – 3rd edition, November 2023*.

⁴⁶ Motion, subparagraphs 20(c), 20(d) and 20(e).

⁴⁷ For further information, see the 2027 Update, section 2.0.

operations as opposed to a larger “at once” benefit recognition.⁴⁸ Consistent with that distinction, Newfoundland Power’s potential use case analysis reflects potential advancements in these areas when compared to current operations associated with a potential transition to AMI. While individual use cases vary by utility, the Company observes that its potential use cases represent approximately 49% of its total estimated NPV benefits, compared to approximately 47% for Maritime Electric.⁴⁹

Load management

The basis for the potential use case NPV benefit for load management is outlined in the 2027 Update, and incorporates the findings of the Potential Study on time-varying rates and on utility-driven equipment demand response.⁵⁰ The estimated NPV benefit of \$23 million for load management incorporates the annual MW reductions estimated by the Potential Study for TOU rates and avoided marginal cost forecasts.⁵¹ As detailed in the Potential Study, savings associated with TOU rates are estimated to begin once AMI infrastructure is in place and increase over a five-year period to 15% and remain at that level through 2040.⁵² An average, long-term opt-in rate of 15% for TOU rates is consistent

⁴⁸ For example, as provided on page 20 of Newfoundland Power’s final submission on its *2026 Capital Budget Application*, the Company estimates that the implementation of AMR meters has resulted in lower meter reading costs of approximately \$28 million over the 2013 to 2024 timeframe.

⁴⁹ See Maritime Electric’s *2022 Supplemental Capital Budget Request: Advanced Metering for Sustainable Electrification Project, Appendix B*, pages 25-26, filed with IRAC on November 25, 2022. Excluding the benefits attributed to AMR system cost reductions of 53%, the remaining total is 47%. For Newfoundland Power, the NPV value of its potential use cases are outlined in Table 2 in the 2027 Update (\$23 million + \$10 million + \$13 million totals \$46 million / total NPV benefits of \$93 million = 49%).

⁵⁰ 2027 Update, pages 5-6.

⁵¹ Avoided marginal costs are based on Hydro’s *Marginal Cost Projection of the Island Interconnected System 2025-2044*, dated February 2025. Of note, the use of TOU rates in the analysis does not reflect a commitment to implement a particular rate structure, as any future TVR offering would require further detailed design, customer-impact analysis and the applicable regulatory review and approval.

⁵² Potential Study, section 7.2.1. The Potential Study filed with the Board by Hydro on November 5, 2025 as part of Hydro’s *2025 Application for Capital Expenditures for the Purchase and Installation of Bay d’Espoir Unit 8 and Avalon Combustion Turbine*.

with forecasts in other jurisdictions such as Nova Scotia and British Columbia.⁵³ The Potential Study estimates that TOU rates could potentially reduce peak demand by 10.9 MW in 2040.⁵⁴

The Potential Study also provides that utility-driven equipment demand response measures show the highest potential to reduce peak demand. These measures generally do not require AMI technology and can therefore be completed in tandem with AMR technology.⁵⁵ The measures relate primarily to electric vehicle (“EV”) charging, including EV telematics and EV chargers.⁵⁶ To account for this finding, Newfoundland Power reduced the TOU component related to EVs by 50% in its preliminary assessment.⁵⁷

Further, interval consumption data supports improved understanding of load shapes and peak demand drivers, which can enhance the utility’s ability to manage system load over time.⁵⁸ Without AMI, these analyses are completed through the use of load research studies. From an energy management perspective, AMI technology would enable providing customers with greater visibility into their electricity consumption patterns, which could help customers manage their energy usage. Potential savings in these areas are also included in the estimated NPV benefit of \$23 million for load management.

⁵³ *Ibid.* For further context, Hydro Quebec implemented dynamic pricing ahead of the winter of 2019-2020. During the 2025-2026 winter, approximately 470,000 customers participated in dynamic pricing rates and related offerings, representing approximately 10% of Hydro Quebec’s total customers of 4.5 million. Of those 470,000 participants, 140,000 participated in a more traditional time varying rate option and 330,000 participated in a winter credit program which is no longer open to new participants.

⁵⁴ See Exhibit 155 on page 169 in the Potential Study.

⁵⁵ See page 5 of the 2027 Update for further information.

⁵⁶ *Ibid.*

⁵⁷ As an example, Exhibit 155 on page 169 in the Potential Study shows that of the total 10.9 MW potential TOU peak reduction in 2040, 4.7 MW relates to the EV category.

⁵⁸ As provided in footnote 5 in the 2027 Update.

Customer Service

As provided in the 2027 Update, AMI supports improved customer engagement and more efficient resolution of service-related issues by: (i) providing customers with access to more energy information, potentially reducing customer inquiries; (ii) using more granular and timely data when responding to customer billing inquiries; and (iii) reducing the need for customer bill estimations.⁵⁹ AMI technology also provides the ability to complete disconnection-reconnections remotely, which enables the utility to execute these functions safely and reduce customer service restoration times without deploying field personnel.⁶⁰ AMI can also potentially avoid costs associated with the administration of a net metering program.

Each of these benefit categories are included in the NPV benefit of \$10 million for customer service shown in Table 2 of the 2027 Update. In terms of utility comparison, Newfoundland Power observes that these benefit types are consistent with those included in Maritime Electric's AMI business case.⁶¹

Field operations

As provided in the 2027 Update, AMI supports improved field operations and system performance through: (i) improved outage identification and service restoration activities, such

⁵⁹ 2027 Update, page 6.

⁶⁰ *Ibid.*

⁶¹ See Maritime Electric's *2022 Supplemental Capital Budget Request: Advanced Metering for Sustainable Electrification Project, Appendix B*, pages 25-26, filed with IRAC on November 25, 2022. Benefits associated with customer service include: (i) customer care billing complaints related to estimated or wrong reads and meter data validation, (ii) avoided cost of net metering program and (iii) reduced overtime for meter service orders associated with meter reconnections. Maritime Electric also included as a benefit reduced uncollectible bill expense. Newfoundland Power did not include this item as its current procedures provide for a relatively low uncollectible bill expense (approximately 0.2% of total electricity revenues). However, the benefit calculation considers the reduction in costs associated with related processes (i.e., remote disconnection-reconnections).

as dispatching of field crews across routine and emergency response operations; (ii) improved voltage management capabilities; and (iii) more efficient revenue protection processes.⁶²

Each of these benefit categories are included in the NPV benefit of \$13 million for field operations shown in Table 2 of the 2027 Update. In terms of utility comparison, Newfoundland Power observes that these benefit types are consistent with those included in Maritime Electric's AMI business case.⁶³

5.4 Other Items Related to the AMI Business Case

In addition to questioning the core components of Newfoundland Power's preliminary cost benefit analysis, the Consumer Advocate raises concerns regarding other evidence provided by Newfoundland Power. As previously noted, the concerns raised by the Consumer Advocate in these areas do not consider the fulsome evidence on the record of the proceeding associated with the issues being raised and further, the Consumer Advocate has filed no evidence that may be contradictory to Newfoundland Power's evidence on those issues.

Continued Investment in AMR

The Consumer Advocate separately questions whether it is prudent for Newfoundland Power to continue making incremental investments in AMR technology ahead of a potential transition to AMI in the mid-2030s, when the Company's existing AMR technology is expected to require mass replacement.⁶⁴

⁶² 2027 Update, page 6.

⁶³ See Maritime Electric's *2022 Supplemental Capital Budget Request: Advanced Metering for Sustainable Electrification Project, Appendix B*, pages 25-26, filed with IRAC on November 25, 2022. Benefits associated with field operations include: (i) conservation voltage reduction, (ii) distribution network losses from such programs such as theft detection and improved asset management and (iii) outage restoration (crew management).

⁶⁴ Motion, paragraph 22.

1 The Consumer Advocate advanced substantially the same position in Newfoundland
2 Power's 2025/2026 GRA.⁶⁵ As provided in the 2025/2026 GRA, as well as in the 2026
3 Update, a transition to AMI differs materially from the earlier transition to AMR, due to the
4 fact that AMI requires distinct supporting infrastructure and communications networks.⁶⁶
5 Newfoundland Power must continue to operate and sustain its existing AMR system until
6 the evidence supports a transition to AMI. This includes installing meters for new
7 customers and replacing failed or deficient meters already in service. Prematurely
8 transitioning individual meters to AMI would require the Company to maintain and operate
9 two metering technologies concurrently, resulting in additional costs and operational
10 complexity.

11
12 The Consumer Advocate's position also does not consider industry practice associated with
13 the timing of AMI implementations. As outlined in the 2027 Update, Nova Scotia Power
14 Inc. ("Nova Scotia Power"), New Brunswick Power Corporation ("New Brunswick Power")
15 and Maritime Electric each sought regulatory approval for AMI projects when their existing
16 meters were approaching the end of their expected service lives.⁶⁷ Nova Scotia Power and
17 New Brunswick Power transitioned to AMI from earlier-generation electromechanical
18 meters, while Maritime Electric transitioned from an AMR system more comparable to
19 Newfoundland Power's existing metering technology and required government funding to
20 establish a positive AMI business case.

⁶⁵ See *Pre-Filed Evidence of C. Douglas Bowman*, page 40, lines 24-27, filed as part of Newfoundland Power's 2025/2026 GRA.

⁶⁶ See *Newfoundland Power Rebuttal Evidence, 4.6 – Advanced Metering Infrastructure*, filed as part of Newfoundland Power's 2025/2026 GRA and the 2026 Update, page 2.

⁶⁷ 2027 Update, pages 2-3.

Newfoundland Power's current circumstances are distinguishable. The Company's current AMR fleet has an estimated average age of approximately 11 years and is not expected to require mass replacement until the mid-2030s. Government funding could support an earlier transition to AMI, and Newfoundland Power continues to pursue available funding opportunities for this purpose. In these circumstances, Newfoundland Power submits that continued investment in its existing AMR system is necessary to satisfy its obligation to provide least-cost, reliable service to customers until a fulsome business case supports a full-scale AMI deployment.⁶⁸ As such, the related capital expenditures are justified in accordance with the Act and the EPCA.⁶⁹

Timing and Scope of a Fulsome AMI Business Case

The Consumer Advocate states that the basis for the Company's cost and time estimates for completion of a fulsome AMI business case estimate warrants confirmation and also suggests that the Board could "contain" the estimates by adjusting the scope of the proposed independent study.⁷⁰

As outlined in both the 2026 Update and 2027 Update, as well as in the response to RFI CA-NP-095 filed as part of the *2026 Capital Budget Application*, the estimate and timeline of a fulsome AMI business case are based on the Company's experience associated with the transition to its modern Customer Information System ("CIS").⁷¹ The CIS assessment cost \$1.2 million and occurred primarily during 2019 and 2020, with those costs included in the Company's 2019 and

⁶⁸ 2026 Update, section 2.0.

⁶⁹ For details on the regulatory framework regarding justified capital expenditures, see the *2027 Capital Budget Application*, *2027 Capital Budget Overview*, section 2.1.

⁷⁰ Motion, paragraph 24.

⁷¹ See 2027 Update, page 1, footnote 6.

2020 revenue requirements approved by the Board in Order No. P.U. 2 (2019).⁷² An AMI project would be larger and more complex than the CIS project, therefore requiring increased external expertise in the assessment stage as compared to the CIS assessment.⁷³ An AMI assessment would also include a fulsome cost-benefit analysis which was not necessary for the CIS project since that project was justified on the basis that the existing system had reached end-of-life. Current market costs for consultants would also be higher than in 2019 and 2020. These factors would increase the cost to complete the AMI assessment when compared to the CIS assessment, albeit within a similar timeline.

The Consumer Advocate's suggestion that these costs be contained by adjusting the scope of the assessment does not fully consider the implications of doing so. The process of adjusting the scope of an otherwise fulsome business case assessment would itself require both time and customer costs, which is not addressed in the Motion.⁷⁴ More importantly, reducing the scope would necessarily mean that certain work required for a fulsome AMI business case would not be completed. This would be contrary to the purpose of undertaking the assessment and would increase the execution risk of an AMI implementation. The suggested approach could also result in higher costs ultimately being borne by customers.⁷⁵

⁷² Following the assessment, the process for Board approval occurred from 2020 to 2021. The CIS project was then substantially completed over the three-year period of 2021 to 2023 at a cost of \$30.4 million. See part g) of response to Request for Information CA-NP-095 filed as part of the 2026 CBA.

⁷³ 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.

⁷⁴ For example, the timeline between Newfoundland Power filing its Load Research and Rate Design Framework and the parties agreeing on the scope of work for the project was more than seven months.

⁷⁵ Higher costs could occur through risk materialization and/or duplication of costs associated with completing further necessary work or re-working a prior assessment as part of an actual AMI implementation in the Company's service territory.

1 More broadly, the Consumer Advocate does not consider that similar circumstances occurred in
2 the years leading up to Newfoundland Power's implementation of AMR technology. As outlined
3 in section 2.0 of the 2026 Update, the Company first assessed AMR in 2006. At that time, it was
4 determined that adoption of AMR on a broad basis was not cost-effective for customers.⁷⁶ The
5 Company continued to evaluate AMR in the following years. In 2012, the large-scale
6 replacement of electromechanical meters with AMR meters was demonstrated to be cost-
7 beneficial for customers. As a result, the Company sought Board approval to transition all
8 electromechanical meters to AMR meters as part of its *2013 Capital Budget Application*. This
9 project was approved in Order No. P.U. 31 (2012), after which the Company began to deploy
10 AMR across its service territory.⁷⁷

12 ***Rate Design***

13 The Consumer Advocate submits that rate design may offer significant potential to avoid or
14 defer capital costs proposed in Hydro's 2025 Build Application and emphasizes the importance
15 of determining whether AMI could broaden the scope for changes in rate design.⁷⁸

17 Newfoundland Power has considered the potential load-management benefits associated with
18 AMI. As outlined in the 2027 Update, the Potential Study completed by Posterity Group provides
19 that challenges of TVR structures on the IIS include the flatness and persistence of the load
20 curve observed on peak days as well as relatively low adoption rates for TVR structures. These
21 challenges limit the potential benefit of TVR structures in the province. As explained in the
22 response to RFI CA-NP-022(d), filed as part of the Application, the evidence does not support a

⁷⁶ See Newfoundland Power's *2006 Capital Budget Application, Volume II: Supporting Materials, 4.1 Metering Strategy*, page 7.

⁷⁷ See Order No. P.U. 31 (2012).

⁷⁸ Motion, paragraph 23.

1 conclusion that AMI-enabled rate structures would avoid the need for the Avalon CT or Bay
2 d’Espoir Unit 8.

3
4 The Consumer Advocate’s position also does not recognize the work associated with TVR
5 structures that is already being completed as part of the Company’s Rate Design Review, a
6 separate process in which the Consumer Advocate participates. Newfoundland Power most
7 recently provided an update on that work on September 30, 2026. The existing rate-design
8 process therefore provides a dedicated forum for assessing alternative rate structures, including
9 their potential customer acceptance and application on the IIS. The Motion does not explain
10 why that process is inadequate or why a separate AMI assessment should duplicate work
11 already underway.

12
13 Further information supporting the reasonableness of Newfoundland Power’s benefit estimates
14 associated with rate design to manage system costs is provided in section 5.3 of this reply.

15 16 **5.5 Overall Assessment of the AMI Business Case**

17 While Newfoundland Power’s cost benefit analysis associated with an AMI implementation is
18 preliminary, it incorporates all material impacts an AMI implementation could have on the
19 Company’s operations, including both cost and potential use case benefit impacts. These
20 estimates are supported by industry experts and industry practice.⁷⁹ Further, the estimates are

⁷⁹ In addition to using Maritime Electric as a primary comparator, Newfoundland Power also reviewed and considered the business case assessments for Nova Scotia Power and NB Power. While each utility implemented AMI with consideration of their unique circumstances, the primary benefit categories identified across all the utilities were consistent. See, for example, *Maritime Electric’s 2022 Supplemental Capital Budget Request: Advanced Metering for Sustainable Electrification Project, Appendix B*, page 24.

1 based on the potential improvements AMI technology could have from Newfoundland Power's
2 current operations and technologies.⁸⁰

3
4 Overall, the preliminary NPV analysis indicates a negative NPV of approximately \$37 million,
5 which demonstrates that an AMI implementation is not least-cost for customers at this time.⁸¹

6 Given the materiality of the negative value, together with the reasonableness of the Company's
7 current cost and benefit analyses as outlined throughout this reply, the business case for an
8 AMI implementation is not expected to change substantively in the near term, absent
9 government funding.⁸²

10
11 With respect to government funding,⁸³ and as provided in the 2027 Update, Newfoundland
12 Power continues to pursue any provincial and federal funding opportunities that arise and is
13 taking all reasonable measures, including continuing to build on its current AMI assessment, to
14 be positioned to secure government funding that could enable an adoption of AMI in the shorter
15 term.

⁸⁰ As examples, the Company employs its workforce management system, geographic information system and its outage management system to complete outage identification and service restoration activities in an efficient manner. Newfoundland Power employs its CIS, web chat and online customer services, and automated outage management and account inquiry systems to complete customer service inquiries in an efficient manner. The Company completes voltage management processes to reduce demand at times of system peak. Finally, the current AMR system provides substantial benefits to customers, such as through low costs and high billing accuracy.

⁸¹ 2027 Update, page 7.

⁸² *Ibid.*

⁸³ The Consumer Advocate questions the availability of government funding in subparagraph 20(h) in the Motion.

6.0 OTHER ISSUES RAISED BY THE CONSUMER ADVOCATE

6.1 Utility Expertise

The Consumer Advocate states that utility-prepared updates are limited in their usefulness and are unlikely to properly inform an infrastructure question of the scale of AMI.⁸⁴ Specifically, the Consumer Advocate asserts that this is a “structural limitation” of the utility, and that Newfoundland Power is not a neutral source as it relates to AMI analysis because it would bear execution risk, answer for overruns or disruption and see its AMR investment affected.⁸⁵ Newfoundland Power disagrees.

The Motion provides no evidence for the broad proposition that utility-prepared information is inherently limited whenever the utility has an operational interest. That notion does not reflect the regulatory construct, longstanding Board practice, or Canadian utility practice. The regulatory model requires utilities to plan their systems, assess alternatives, develop cost estimates and business cases, and support investments using operational knowledge and external specialists. All evidence submitted by applicants and intervenors is then tested by the regulator and interested parties through a process established by the regulator. The Board’s review process also permits the Consumer Advocate, as an intervenor, to submit its own information where it may assist the Board in determining the public interest. As previously stated, the Consumer Advocate did not fully use the processes available in the Application to test the evidence placed on the record by Newfoundland Power. Irrespective of whether the Company’s preliminary assessment of AMI was tested, the fact that Newfoundland Power bears responsibility for any AMI implementation does not make the Company’s evidence inherently unreliable.

⁸⁴ Motion, paragraph 21.

⁸⁵ *Ibid.*

1 The effectiveness of the current regulatory construct in assessing new technologies and their
2 benefits to customers is demonstrated by past experience. For example, in 2021, Newfoundland
3 Power undertook a six-year program to replace its HPS streetlights with LED streetlights. The
4 justification for the program was included in Newfoundland Power's *2021 Capital Budget*
5 *Application* and included lower costs for customers.⁸⁶ The program will be complete in 2026,
6 providing lower rates to all of Newfoundland Power's Street and Area Lighting customers.
7 Newfoundland Power has confirmed that it has the internal expertise required to implement,
8 maintain and operate AMI and would use internal resources and external vendors or advisors as
9 appropriate.⁸⁷ This is consistent with its assessment and implementation of AMR, LED street
10 lighting and CIS.⁸⁸

11
12 The Consumer Advocate also provides no authority for its assertion that AMI "must" be
13 supported by independently verified evidence from a regulator-retained consultant.
14 Newfoundland Power observes that Nova Scotia Power, New Brunswick Power and Maritime
15 Electric each filed an application and supporting utility or utility-commissioned business case
16 through the ordinary regulatory process.

18 **6.2 Util-Assist and Hydro's Evidence**

19 The Consumer Advocate submits that the Util-Assist report is instructive in demonstrating that a
20 third-party business case resulted in a recommendation for the deployment of AMI meters and

⁸⁶ See *LED Street Lighting Replacement Plan*, filed as part of the Company's *2021 CBA*. The initial year of the program was approved by the Board in Order No. P.U. 37 (2020). Subsequent years were approved in Order Nos. P.U. 36 (2021), P.U. 38 (2022), P.U. 2 (2024), P.U. 27 (2024), and P.U. 38 (2025).

⁸⁷ CA-NP-021, part h).

⁸⁸ For additional information on the Company's CIS project, see the section titled "*Timing and Scope of a Fulsome AMI Business Case*".

1 network collection infrastructure for Hydro.⁸⁹ In support of that conclusion, the Consumer
2 Advocate notes that Util-Assist recommended the AMI “lite” option notwithstanding that the
3 drive-by AMR option produced the highest NPV of the alternatives studied and expressly
4 declined to recommend drive-by AMR based on technological limitations and other
5 considerations.⁹⁰ The Consumer Advocate further points to Hydro’s characterization of the Util-
6 Assist study as consistent with its conclusion that drive-by AMR was the least-cost alternative,
7 without expressly identifying Util-Assist’s recommendation against that option.⁹¹ The Consumer
8 Advocate submits that this illustrates the difficulty of determining AMI infrastructure questions
9 based on a utility’s characterization of the underlying analysis.⁹² The Consumer Advocate also
10 notes that no comparable third-party business case has been undertaken for Newfoundland
11 Power, notwithstanding the estimated cost of AMI implementation and Newfoundland Power’s
12 role as the majority retail service provider on the Island Interconnected System.⁹³

13
14 The Consumer Advocate’s submission conflates Util-Assist’s financial findings with its ultimate
15 recommendation. Hydro did not state that Util-Assist recommended drive-by AMR. Rather,
16 Hydro identified the manner in which the study’s results were consistent with Hydro’s
17 subsequent analysis, namely that the drive-by option produced the strongest financial result,
18 including the highest NPV at \$17.6 million. Util-Assist ultimately recommended AMI “lite” based
19 on additional considerations relating to technological capability and obsolescence risk.⁹⁴

⁸⁹ Motion, paragraph 18.

⁹⁰ Motion, paragraph 15.

⁹¹ Motion, paragraph 16.

⁹² *Ibid.*

⁹³ Motion, paragraph 18.

⁹⁴ Further, Util-Assist’s recommendation was not an unconditional recommendation to implement a predetermined AMI solution. The consultant recommended an open procurement process to validate its financial assumptions and determine the appropriate final solution. Hydro’s subsequent selection of drive-by AMR also reflected additional information, including the Conservation Potential Study’s finding that broad deployment of smart meters would not be cost-effective until the mid-2030s.

1 Importantly, CA-NLH-012(i) did not ask Hydro to identify or summarize the consultant's
2 recommended course of action, but requested copies of all studies Hydro had undertaken or
3 reviewed in relation to smart meters. Hydro provided the Util-Assist report in full. Accordingly,
4 the consultant's recommendation, including its reasons for preferring AMI "lite", was disclosed
5 on the record and available to the Board and parties for independent review. The circumstances
6 therefore do not support the Consumer Advocate's concern that the Board and parties would be
7 required to rely on a utility's characterization of the underlying analysis when determining
8 questions about AMI infrastructure.

9
10 The Util-Assist report also does not displace Newfoundland Power's current assessment. It was
11 prepared for Hydro in 2020, addressed a smaller and more rural meter population and the
12 replacement of its existing electromechanical meters. If anything, the report demonstrates the
13 importance of utility-specific circumstances, not that Board-retained verification is required for
14 Newfoundland Power's AMI assessment.

15
16 Further, the "AMI lite" option assessed by Util-Assist is not equivalent to a full-scale AMI
17 implementation. Rather, it contemplated AMI meters and network collection infrastructure
18 without the meter data management software and system integration ordinarily associated with
19 supporting the full range of AMI use cases.⁹⁵ Such an approach could result in customers
20 incurring the incremental costs associated with AMI-capable meters and communications
21 infrastructure while deferring the broader benefits associated with data management, system

⁹⁵ See Util-Assist Report, page 18, section 3.1.4. Util-Assist described AMI "lite" as a pared-down version of full AMI that would include AMI meters and network collection infrastructure, but not MDM software or full system integration.

1 integration and related AMI use cases.⁹⁶ Further, publicly available evidence does not establish
2 a comparable territory-wide “AMI lite” implementation by a Canadian electric utility.⁹⁷
3 Accordingly, the results of Util-Assist’s assessment do not demonstrate that a comparable
4 approach would be appropriate or cost-effective for Newfoundland Power.
5

6 **6.3 Independent Verification and Board-Retained Experts**

7 The Consumer Advocate submits that the independent assessment sought in the Motion is
8 necessary for the Board to determine whether a transition to AMI is in the interests of
9 ratepayers. It further states that any infrastructure investment of this scale must be supported
10 by independently verified evidence and that any consultant should be retained directly by the
11 Board, rather than Newfoundland Power, to secure independence.⁹⁸
12

13 Newfoundland Power disagrees that a Board-retained independent assessment is required for
14 that purpose. The Company’s updates on the cost-effectiveness of AMI on an annual basis
15 provide the Board and parties with current information concerning AMI technology, costs,
16 potential benefits, the condition and remaining life of Newfoundland Power’s existing AMR
17 systems, government funding opportunities and relevant developments in other jurisdictions.
18 This approach provides sufficient information to inform the Board on matters related to AMI
19 technology in the Company’s service territory and is consistent with the measured process that
20 preceded Newfoundland Power’s transition to AMR. The Company also observes that neither the

⁹⁶ See 2027 Update, sections 4.2 and 4.3. See also Util-Assist Report, page 18, which states that Hydro could “utilize the system as a meter reading system first and until such point as various use cases make sense and justify the investment in additional software or integrations” and that “[t]o capture all the additional benefits, the deployment of an MDM and full integration (~\$7M-\$8M NPV) will be required.”

⁹⁷ See the jurisdictional scan included in the 2027 Update. Newfoundland Power is not aware, based on its review of publicly available information, of a comparable territory-wide “AMI lite” implementation by a Canadian electric utility.

⁹⁸ Motion, paragraphs 25 and 27.

1 Board nor Hydro has taken issue with the information provided in the 2027 Update, including
2 the NPV analysis.⁹⁹

3
4 The Consumer Advocate provides no legislative authority, Board direction or regulatory
5 precedent supporting its assertion that an AMI project must be supported by evidence
6 independently verified by a consultant retained by the regulator, particularly where no capital
7 project is proposed for approval. The fact that evidence has not been independently verified
8 does not, in itself, establish that evidence is unreliable. Further, the Consumer Advocate
9 provides no evidence that this practice is followed in any other Canadian jurisdictions that have
10 implemented AMI technology. For example, independent verification of an AMI project was not
11 required in Nova Scotia, New Brunswick or Prince Edward Island. In each of those cases, the
12 respective utilities filed applications with their regulator for approval of an AMI project,
13 accompanied by supporting evidence and business case, in the normal course of utility
14 regulation.

15
16 The Board, on its own initiative, has retained independent consultants where it has determined
17 that external expertise would assist with defined regulatory reviews. For example, the Board
18 retained Bates White Economic Consulting to provide expert consulting services in the *Reliability*
19 *and Resource Adequacy Review* and retained the Brattle Group to review portions of the
20 Company's *2025/2026 GRA*.¹⁰⁰ These engagements demonstrate that the Board can retain
21 external expertise where it considers such assistance appropriate having regard to the subject
22 matter and purpose of the proceeding.

⁹⁹ Both the Board and Hydro did not file any Requests for Information regarding the 2027 Update. Further, Hydro's submission on Newfoundland Power's *2027 Capital Budget Application* did not address the 2027 Update.

¹⁰⁰ See the *Brattle Group Load Forecasting Methodology Review* filed in Newfoundland Power's *2025/2026 GRA*.

1 The circumstances surrounding Newfoundland Power's preliminary AMI assessment do not
2 demonstrate a need for the Board to commission such a review. Newfoundland Power has
3 complied with the Board's directions to provide successive updates on AMI, completed a
4 preliminary cost-benefit analysis, responded to RFIs concerning that analysis and relied on
5 specialized external expertise where appropriate. The Consumer Advocate has not identified a
6 specific material error in Newfoundland Power's analysis or evidence that Newfoundland Power
7 lacks the expertise necessary to undertake that assessment.

8
9 In Newfoundland Power's submission, these examples do not establish a general requirement
10 for independent verification of utility-prepared evidence. Rather, they demonstrate that the
11 Board's use of external consultants has been responsive to the particular regulatory
12 circumstances and purpose of the review. Newfoundland Power submits that no comparable
13 circumstances have been demonstrated in relation to the Consumer Advocate's request for an
14 independent AMI assessment.

15
16 This distinction is also consistent with the ordinary review of utility capital expenditures. For
17 example, in Newfoundland Power's *2020 Capital Budget Application*, the Company confirmed
18 that neither the Board nor Newfoundland Power had commissioned an independent study
19 concerning the transmission line rebuild projects proposed in that application.¹⁰¹ Newfoundland
20 Power supported those projects through its own evidence, which was then tested through RFIs
21 from the Board, Hydro and the Consumer Advocate.

¹⁰¹ See page 1, lines 7-9 of the response to RFI CA-NP-011 filed in relation to the Company's *2020 CBA*.

1 For the reasons outlined in the 2027 Update and this response, the Board has sufficient
2 evidence to assess the reasonableness of Newfoundland Power's current conclusions concerning
3 AMI. A more detailed business case, supported by detailed engineering and an assessment of
4 alternatives, would be filed if and when Newfoundland Power seeks approval of an AMI project.
5

6 **7.0 ISSUES REGARDING THE CONSUMER ADVOCATE'S PROPOSED ASSESSMENT**

7 **7.1 Scope and Duplication**

8 The proposed terms of reference, included as Appendix A to the Motion, largely repeat the work
9 that Newfoundland Power has already completed at a preliminary level. This includes, but is not
10 limited to, asset age and replacement profile, obsolescence, deployment options, costs,
11 benefits, jurisdictional experience, rate design, and potential implementation triggers. The
12 Motion provides no reasonable basis to suggest that duplicating this work through an external
13 consultant, and incurring the associated costs, would produce a materially different result.
14

15 At the same time, the proposed terms of reference would not constitute a fulsome business
16 case required to support an AMI application and eventual implementation. The terms do not
17 require the detailed engineering, design, procurement, development, implementation planning
18 and assessment of alternatives needed for a potential project approval. The proposed terms of
19 reference therefore represent an inefficient middle ground – broader and more costly than
20 needed for the current screening decision, but insufficient and untimely to support an actual
21 AMI implementation.

7.2 Cost and Regulatory Efficiency

The Consumer Advocate states that it supports reasonable avenues for delivering cost savings to ratepayers but provides no estimate of the cost associated with the Motion's proposals.¹⁰²

The Board, and ultimately customers, would incur consultant costs in addition to any costs associated with the terms of reference and responding to the consultant's report. These costs would be incurred despite the existing negative NPV of \$37 million and without evidence of a material error in the current assessment.

The Consumer Advocate suggests that the Board could contain costs associated with developing a fulsome business case by narrowing the scope.¹⁰³ Examining alternative approaches to developing a fulsome business case or adjusting the scope of the independent study would itself require time and customer cost. The Consumer Advocate is asking the Board to undertake additional work with little identifiable benefit. An assessment with a reduced scope could also duplicate work in the present, and require work to be done again when a fulsome business case is eventually prepared.

7.3 Timing

The Consumer Advocate proposes that the Board's order disposing of the Company's 2027 CBA address the proposals in the Motion, that terms of reference be settled in the first quarter of 2027 following submissions from the parties, and that the consultant's report be filed no later than a date that permits it to inform Newfoundland Power's 2028 CBA.¹⁰⁴ In Newfoundland Power's view, this proposed timing is not reasonably achievable. Newfoundland Power's annual capital budget is to be filed no later than June 30. On that schedule, fewer than ten months

¹⁰² Motion, paragraph 25.

¹⁰³ Motion, paragraph 24.

¹⁰⁴ Motion, paragraph 28.

1 separate the date the Motion was filed from the expected filing of the 2028 CBA. Materially less
2 time would remain after consultant selection and onboarding following the terms of reference
3 being settled by March 31, 2027.

4
5 The Consumer Advocate also does not address the practicality of its proposed timeline in the
6 context of the broader regulatory calendar. The Board, utilities and intervenors will be required
7 to devote resources to a number of significant regulatory proceedings and major filings over the
8 period contemplated by the Motion.¹⁰⁵ This broader regulatory context is relevant to whether
9 establishing a separate Board-directed AMI assessment on the timeline proposed in the Motion
10 would be an efficient use of regulatory resources and in the best interests of customers.

11
12 The proposed timeline is also inconsistent with the Consumer Advocate's request for a broad
13 assessment involving extensive data access, jurisdictional review, system information, asset
14 condition, rate design, privacy, cybersecurity and customer impacts. While in Newfoundland
15 Power's view the proposed terms of reference would not constitute a fulsome business case,
16 principally because they do not include the engineering assessment required to support an
17 eventual AMI implementation, the Company's estimate of approximately 16 months for a
18 fulsome assessment underscores the mismatch with the Consumer Advocate's proposed
19 timeline.

¹⁰⁵ Significant regulatory proceedings and filings include Hydro's ongoing General Rate Application and Reliability and Resource Adequacy Study Review, annual utility capital budget applications, and Newfoundland Power's next general rate application, which is required to be filed no later than June 1, 2027. See also Newfoundland Power's *2027 Wesleyville & Greenhill Thermal Generation Supplemental Application*, dated October 7, 2026.

8.0 CONCLUSION

Newfoundland Power has complied with the Board's directions and developed a substantial evidentiary record on AMI. The current assessment includes externally supported cost estimates, known AMR costs, expert load-management work, customer service and field operation benefits and relevant Canadian expertise.

The Consumer Advocate has not identified a material error in that assessment, filed contrary expert evidence, or documented that a Board-retained consultant is required or in the best interests of customers. The independent assessment proposed in the Motion would materially overlap with work that has already been completed, would not itself constitute the fulsome business case required for eventual project approval, and could not reasonably be completed on the proposed timeline.

The relief requested by the Consumer Advocate would also impose unquantified customer costs and would expand the annual capital budget process into a separate investigative process without a demonstrated need. The result would not be consistent with regulatory efficiency or the provision of least-cost, reliable service.

Newfoundland Power will continue to assess AMI, advance the rate design work already underway, and will pursue government funding if and as it becomes available. A comprehensive business case, including detailed engineering and alternatives, should be undertaken when the circumstances support a potential AMI capital project.

For the foregoing reasons, Newfoundland Power submits that the Board should deny the Motion.

- 1 **RESPECTFULLY SUBMITTED** at St. John's, Newfoundland and Labrador, this 23rd day of
- 2 October, 2026.



NEWFOUNDLAND POWER INC.

P.O. Box 8910

55 Kenmount Road

St. John's, Newfoundland A1B 3P6

Telephone: (709) 737-5500 ext. 6200