

Distribution

Q. Provide the actual calculation used to arrive at the quantity of meters used for replacement purposes.

A. In 2004, the Company is projecting that approximately 9,800 meters will be replaced, of which 8,800 will be retired. Of the 9,800 meters, 5,800 meters will be replaced with new regular meters, 3,000 will be replaced with new AMR meters, and 1,000 will be replaced with meters salvaged from those that were replaced by AMR meters.

The reasons for the replacement of the meters are as follows:

- (1) Domestic meters due for retest that will be removed as part of a sampling process necessary to meet Measurement Canada's requirement that all meters be reverified on a regular cycle. Meters removed through this process are generally retired due to age and poor physical condition.
- (2) Domestic meters due for retest in compliance with Measurement Canada that will not be sampled but will be removed due to age and poor physical condition and be retired.
- (3) Domestic meters removed and retired due to service upgrades or damage (based on past experience).
- (4) Domestic meters removed to accommodate an AMR meter. (It is anticipated that 66% of these will be retired).
- (5) General Service meters to be removed for testing purposes that will be retired due to age and poor physical condition (based on past experience).

The table lists the number of meters to be replaced due to the reasons noted above.

Meters to be Replaced & Retired		
Reason	Approximate Quantity	
	Replaced	Retired
1	1,000	1,000
2	4,100	4,100
3	1,200	1,200
4	3,000	2,000
5	500	500
Total	9,800	8,800