Q. Re: Tab 4.4 – 2016 Metering Strategy

What are the salary and transportation savings attributed to AMR use since 2010?

A. Table 1 below shows the total annual operating costs and estimated savings from 2010 to 2014 associated with meter reading. Total savings over this period are approximately $2.6 million. The majority of these savings can be attributed to the use of AMR technology.[1]

Table 1
Meter Reading Operating Costs 2010-2014
($000)

	2010	2011	2012	2013	2014
Operating Costs	3,225	3,198	3,132	2,946	2,844
Inflation Adjusted[2]	3,798	3,651	3,478	3,171	2,947
Average Customers	241,366	245,295	249,347	253,575	257,249
Comparison Cost[3]	3,798	3,860	3,924	3,990	4,048
Annual Savings[4]	-	209	446	819	1,101
Cumulative Savings	**-**	**209**	**655**	**1,474**	**2,575**

Approximately 95% of operating savings shown are labour savings. The remaining 5% are non-labour savings. Newfoundland Power does not track transportation costs specifically for the meter reading function. Vehicles used primarily for meter reading may also, at times, be used for other functions such as credit and collections or meter replacements.

[1] AMR technology accounts for the majority of savings in the meter reading function since 2010. Other factors, such as route optimization, have also contributed to operating savings over this period.
[2] 2015 Dollars.
[3] The Comparison Cost is an estimated annual cost assuming no AMR meters were installed since 2010, including AMR meters for new services. The costs shown are calculated using the 2010 operating cost adjusted for inflation and the additional cost associated with reading the meters for new customers added to the system.
[4] Annual Savings is the difference between the inflation adjusted operating cost and the comparison cost.