

- 1 **Q. (Reference Application Schedule B, pages 31, 32 and 33 of 98) For the Meters**
2 **(Pooled) project, what is the primary cause of the steep increase in meter unit costs**
3 **in 2018 (43% increase over meter unit costs in 2017)? Can the new meters be used**
4 **for billing under time-differentiated rates?**
5
- 6 A. The unit costs for 2017 are less than the unit costs for 2018 due to the economies of scale
7 related to the mass change out of meters during the Automatic Meter Reading (“AMR”)
8 replacement project which concluded in 2017.¹ AMR meters do not have functionality
9 for billing under time-differentiated rates.

¹ In 2017, Newfoundland Power installed approximately 44,000 customer meters through the accelerated deployment of AMR technology. These meters were installed by geographic area in a planned manner, which resulted in labour efficiencies and reduced travel costs. By comparison, the Company installed only 5,400 meters throughout its service territory in 2018. These installations were driven by the need to replace existing meters and serve new customers. As a result, 2018 unit costs did not benefit from the labour efficiencies and reduced travel costs achieved in 2017.