

1 **Q. (Reference Application Schedule B, Replacement Meters, page 67) Why is there**
 2 **such a large increase in meter replacements in 2022?**
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4 A. Newfoundland Power first introduced Automated Meter Reading (“AMR”) technology in
 5 its *2006 Metering Strategy*, filed with its *2006 Capital Budget Application*. In 2006, the
 6 Company began installing AMR meters to address specific meter reading problems
 7 associated with safety and access. In the years that followed, the replacement of
 8 traditional metering technology was accelerated in favour of AMR. Newfoundland Power
 9 shifted to exclusively purchasing AMR meters starting in 2013.

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 11 Meter replacements since 2018 have been lower than normal due to the low average
 12 age of the Company’s AMR meters.¹ As a result, there were fewer meter replacements
 13 due to government regulations and fewer deteriorated meters requiring replacement.²
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15 The trend of increasing meter replacements since 2018 is the result of more meters
 16 undergoing re-certification testing.³ In 2022, original vintage AMR meters are
 17 surpassing the age requiring re-certification testing.⁴ Newfoundland Power purchases
 18 meters each year to replace those meters removed for inclusion in compliance testing
 19 samples. These meter replacements are referred to as “CSOs” (Compliance Sample
 20 Orders). In addition, meters must be purchased to either: (i) replace meter groups that
 21 do not pass compliance sample testing; or (ii) replace demand meters that must be
 22 individually tested and re-certified, which are referred to as “GROs” (Government Retest
 23 Orders). Meter replacements are forecast to increase as more meters meet the re-
 24 certification testing requirement.
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26 The actual number of meter replacements and resulting expenditures will be dependent
 27 on actual field requirements experienced in 2023.

1 Through the period from 2018 to 2021 approximately 80% of in-service meters would have been too young to
 require re-certification.

2 *The Electricity and Gas Inspection Act (Canada)* established the requirements for compliance sampling and retest
 orders for AMR meters.

3 Re-certification requirements differ depending on the meter type. For some meter types, energy-only meters for
 example, the regulations permit re-certification based on test results for a sample of the meter group
 (“compliance sampling”). For other meter types, demand meters for example, it is necessary to test and certify
 each individual meter.

4 In 2022, there are three vintages of meters involving approximately 45,000 meters, that will undergo compliance
 sampling to determine if re-certification is possible.