

- 1 **Q.** (Application Volume 1, page 2-8) It is stated “*Newfoundland Power’s meter reading*
2 *operating costs were reduced by approximately 81% from \$2.8 million in 2012 to*
3 *\$540,000 in 2020.*”
- 4 a) How much did customers pay for the new meters?
5 b) Please confirm that the current metering and billing system is not suited to
6 implementation of time-of-use rates.
7 c) What would it cost to implement a metering and billing system that enables
8 implementation of time-of-use rates?
9 d) Please confirm that NP has no plan to implement time-of-use rates prior to
10 2030.
11 e) Given customer desire to track energy consumption, can it be concluded that
12 customers desire time-of-use rates?
13 f) Was customer choice considered in NP’s decision to abandon implementation
14 of time-of-use rates?
15
- 16 A. a) The Automated Meter Reading (“AMR”) program was initially approved in
17 Newfoundland Power’s *2013 Capital Budget Application*.¹ A strategy for the
18 accelerated deployment of AMR meters was approved as part of the Company’s
19 *2016 Capital Budget Application*.² As a result of the accelerated deployment,
20 virtually all meters in Newfoundland Power’s service territory were automated by
21 year-end 2017.
22
23 Capital expenditures for meters are required on an annual basis to serve new
24 customers and replace failed meters.
25
26 Table 1 provides the Company’s annual capital expenditures on meters over the
27 10-year period 2011 to 2020, including new and replacement meters.

**Table 1:
Meter Expenditure History
2011 to 2020
(\$000s)**

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1,763	2,557	3,109	3,003	3,108	4,496	3,625	884	481	832

28 The increase in meter expenditures in 2013 was due to the Company’s
29 deployment of AMR meters. Meter expenditures subsequently declined in 2018,
30 once all meters had been replaced with AMR technology.

¹ See Order No. P.U. 031 (2012).

² See Order No. P.U. 028 (2015).

1 The installation of AMR meters reduced Newfoundland Power’s meter reading
2 operating costs by approximately 81% from \$2.8 million in 2012 to
3 approximately \$540,00 in 2020.³
4

5 b) It is confirmed that Newfoundland Power’s AMR meters are not capable of the
6 interval metering necessary to support time-of-use rates.⁴
7

8 c) Advanced Metering Infrastructure (“AMI”) technology is necessary to enable the
9 implementation of time-of-use rates.⁵ In a recent study, Dunsky Energy
10 Consulting (“Dunsky”) estimated that a full-scale AMI deployment in the
11 province would cost between \$85 million and \$105 million.⁶
12

13 d) It is confirmed that Newfoundland Power does not currently plan to implement
14 time-of-use rates prior to 2030. As part of its study, Dunsky found that time-of-
15 use rates do not provide sufficient benefits to justify the cost of AMI deployment
16 prior to 2030.⁷
17

18 e) No, it cannot be concluded that customers desire time-of-use rates.
19

20 Newfoundland Power surveys approximately 1,800 customers each quarter. The
21 results of these surveys indicate the 2 most important issues to customers are
22 reliability and price. The study completed by Dunsky determined that
23 implementing time-of-use rates would not be economical for customers at this
24 time. As a result, implementing time-of-use rates would not be consistent with
25 customers’ service expectations or least-cost service delivery.⁸
26

27 Additionally, Newfoundland Power offers programs to help customers track and
28 manage their energy consumption. For example, approximately 50,000 customers
29 participate in a Benchmarking initiative through the Company’s conservation and
30 demand management program that provides customers with reports on their home
31 energy usage, comparisons to similar homes, and tips on how to save energy.

³ See the 2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 2: Customer Operations, page 2-8.

⁴ The meters serving customers on Rate 2.4 General Service (1,000 kVA and Over) are the only Newfoundland Power meters capable of interval metering. These meters could be used for time-of-use rates.

⁵ AMI implementation would include: (i) replacing all of the Company’s existing meters with AMI meters; (ii) installing communication infrastructure to facilitate communicating with all customer premises; (iii) a Meter Data Management System to process and archive the high volume of data received from the AMI meters; and (iv) a modern Customer Information System to support configuration and functionality changes.

⁶ See Newfoundland Power’s 2021 Electrification, Conservation and Demand Management Application, Volume 2, filed on December 16, 2020.

⁷ Ibid., Schedule E, page 1.

⁸ Newfoundland Power conducted customer focus groups as part of its 2009 Retail Rate Review. The Customer Feedback Report, filed with the Board on June 19, 2009, found: “The majority of all participants perceived this rate to be confusing to understand and to carry out in their homes. They felt that Newfoundland Power would be “dictating their lives” in terms of when they shower, cook, do laundry and turn on the heat. They also thought that it would be difficult for people to adjust each December to a new routine for the next four months as they would probably go back to their old ways in the nonpeak months.” See page 6.

Requests for Information

- 1 f) Newfoundland Power considered customers' service expectations and its statutory
2 obligation to provide reliable, least-cost service in determining that time-of-use
3 rates would not be beneficial at this time. See part (e)