Q. (Reference Application, 2023 Capital Expenditure Report, Appendix C: Key Performance Indicators, Table 3) The actual average unit cost for the new meters and replacement meters are $215 and $183, respectively. This compares to the estimated average unit cost of $136.

a) Please confirm that the percentage excess of cost over estimate was 58% and 34.6%, respectively.

b) Please explain why the actual unit cost was so much greater than the estimated unit cost.

c) What cost components are included in the unit costs; e.g., the cost of the meter plus the installation cost? What is the average percentage breakdown of each cost component?

d) Do these cost increases make smart meters a more viable metering alternative?

e) Is the cost of a new AMR meter installation roughly $215 compared to the cost of a new AMI meter installation of roughly $350?

f) How much would an additional $135 cost customers on a monthly basis over the life of the meter?

g) How do the lifetime costs/benefits of smart meters compare to the lifetime costs/benefits of AMR meters assuming installation costs of $350 and $215, respectively?

A. a) It is confirmed.

b) The overall unit cost for meters was forecast to be $136 in 2023. The actual overall unit cost was $200 in 2023. This increase in unit cost reflects increases in meter costs in excess of inflation as well as a lower quantity of meters purchased in 2023 than anticipated in the plan.

c) The unit cost of meters includes labour and non-labour. From 2022 to 2024, labour and non-labour costs were an average of 33% and 67%, respectively, of the overall total capital expenditure in the *New Meters* and *Replacement Meters* programs.

d) Newfoundland Power has not completed a business case to determine the viability of smart meters as a metering alternative in the *2025 Capital Budget Application*. This is because the implementation of Advanced Metering Infrastructure ("AMI") technology is not least cost for customers at this time.[1] The Company will reassess the viability of AMI regularly as new information becomes available.[2] Ongoing studies, such as rate design, load research and the potential study will help inform a business case for AMI technology.[3] For example, the primary benefit of AMI

[1] In 2019, Dunsky Energy Consulting concluded that pricing options to encourage peak load management would not provide sufficient benefit to justify the cost of AMI investments at the time. It was also estimated that the benefits of AMI would likely not exceed the costs until at least 2030.

[2] For a fulsome discussion on this topic, see Newfoundland Power's rebuttal evidence filed as part of its *2025/2026 General Rate Application, 4.6 Advanced Metering Infrastructure*.

[3] Newfoundland Power and Newfoundland and Labrador Hydro have engaged Posterity Group, an economic and engineering consulting firm, to conduct a potential study that will examine

technology is the management of peak demand on the system. However, there is more than one method of reducing system demand and all alternatives must consider the system demand curve on a peak day. These alternatives will be considered in the potential study.

e) There are no capital expenditures associated with AMI included in Newfoundland Power's *2025 Capital Budget Application*. As a result, the Company is unable to provide the requested cost for a new AMI meter installation. Newfoundland Power can confirm that the forecast cost per unit for the *New Meters* and *Replacement Meters* program, including installation, is forecast to be approximately $192 in 2025.

f) Newfoundland Power does not calculate customer bill impacts on a per asset basis. As a result, the information cannot be provided as requested.

g) See parts d) and e), as well as the response to the Request for Information CA-NP-016.

opportunities for electrification, demand response, and energy efficiency for the Island Interconnected System.