

1 **Q. C. Douglas Bowman Report, page 9, lines 10-19, Recommendation #12. Please**
2 **explain why the schedule proposed by Mr. Bowman for completion of a cost benefit**
3 **analysis for AMI metering technology is reasonable and achievable.**

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5 **A.** Mr. Bowman’s Recommendation #12 is that the Board order Newfoundland Power to
6 “*Conduct a study of the costs and benefits of AMI technology (smart meters) with the*
7 *ultimate goal of replacing the current AMR metering technology that the industry has, or*
8 *is in the process of, replacing. The study should include an analysis of how costs might*
9 *be minimized or spread out over a longer time frame, and other means of funding such as*
10 *what might be available under government net-zero emissions programs. This study*
11 *should be completed by year-end 2024. The Board should not approve any capital*
12 *program associated with the installation of outdated AMR meters.*”

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14 Mr. Bowman believes that a study such as this can easily be completed in 2024 provided
15 Newfoundland Power is properly motivated. Motivations such as that provided in a
16 Settlement Agreement on the GRA have not been successful as noted in Mr. Bowman’s
17 Pre-filed Evidence.¹ For this reason he recommends that the Board provide the necessary
18 motivation by ordering Newfoundland Power to undertake the study and complete it in
19 2024. Mr. Bowman notes that such studies have been completed in numerous jurisdictions
20 so templates are readily available. Further, in CA-NP-034 Newfoundland Power states
21 that it is “*preparing to model the costs and benefits associated with implementing AMI*
22 *technology.*” Mr. Bowman interprets this to mean that Newfoundland Power is aware of
23 the potential benefits of AMI technology and has already initiated work on a study.
24 Newfoundland Power is well behind other jurisdictions in smart meter implementation.
25 As a result, the province’s electricity consumers are missing out on the substantial benefits
26 that electricity consumers in other jurisdictions are now receiving from smart meters.
27 Nova Scotia Power indicates that more than 70% of Canadian homes and businesses are
28 already using smart meter technology.²

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30 Newfoundland Power provides a long list of benefits stemming from the introduction of
31 smart meters in CA-NP-034c: “*The benefits of AMI technology can include: the ability to*
32 *remotely read meters, automatic outage detection and management; the ability to*
33 *remotely connect or disconnect service to customers; monitoring power quality;*

¹ On page 24 of Mr. Bowman’s Pre-filed Evidence, it is stated “*The undertaking of a load research study was successfully negotiated by the Consumer Advocate as part of the settlement agreement on Newfoundland Power’s 2022-2023 General Rate Application, but more than two years, and three winter periods later, Newfoundland Power has yet to accumulate a single data point.*” On page 6 of Mr. Bowman’s Pre-filed Evidence it is stated “*Almost 2.5 years after agreeing to undertake a rate design study in the settlement agreement stemming from the 2022-2023 General Rate Application, Newfoundland Power proposes no changes to its retail rate designs and no additional rate design options for its customers (the Domestic Seasonal Rate, Curtailable Service and Net Metering service are currently offered as optional rates).*”

² <https://www.nspower.ca/my-energy-insights/smart-meter-faqs> - see Are Smart Meters Safe?

1 *implementation of demand response programs such as Time-Of-Use (“TOU”) rates;*
2 *enablement of distributed energy generation; and the ability to provide customers*
3 *personalized energy-saving tips and recommendations.”* In CA-NP-299 it is stated
4 *“Newfoundland Power observes that certain AMI meters can provide outage and power*
5 *restoration notifications. New Brunswick Power outlines that one benefit of its conversion*
6 *to AMI is quicker notification of outages which could reduce response time.”*
7 Newfoundland Power’s new \$31.6 million customer service system that is expected to be
8 fully installed this year (PUB-NP-016) will provide it with the capability to bill customers
9 under more complex rate structures.

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11 Mr. Bowman notes that in Newfoundland Power’s December 16, 2020 submission to the
12 Board entitled “2021 Electrification, Conservation and Demand Management
13 Application” it is stated with respect to electric vehicle charging stations (cover letter,
14 page 2 of 3) *“Approval of these proposals will enable the delivery of customer*
15 *electrification programs in 2021. This, in turn, will enable the earliest feasible realization*
16 *of the associated rate mitigating benefits for customers.”* Mr. Bowman notes that metering
17 is a core activity of Newfoundland Power – building electric vehicle charging stations is
18 not. He believes that it is time Newfoundland Power gave the same urgency to smart
19 meter technology that it has given to electric vehicle charging stations.

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21 In summary, a study on smart meters as recommended by Mr. Bowman can readily be
22 completed in 2024 if the Board orders Newfoundland Power to do so. Mr. Bowman points
23 out that the Board in its letter entitled “Newfoundland Power Inc. - 2025-2026 General
24 Rate Application – Direction” dated November 17, 2023 directed Newfoundland Power
25 to (page 1) *“file a separate application relating to approval of its 2024 forecast average*
26 *rate base and rate of return on rate base.”* In response, Newfoundland Power filed the
27 2024 Rate of Return on Rate Base Application on November 23, 2023, 6 days after
28 receiving the Board’s direction.

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30 Similarly, on November 27, 2023 the Board issued a letter to Newfoundland Power
31 entitled Newfoundland Power Inc. - 2025-2026 General Rate Application - Further
32 Direction. In this letter the Board directed Newfoundland Power to (page 2) *“provide*
33 *detailed information as to customer rate impacts and rate stabilization account balances*
34 *for 2025 and 2026, including financing charges, for the two different approaches to the*
35 *recovery of wholesale power supply costs.”* The Board also directed that (page 2) *“the*
36 *most recently approved Test Year cost and Test Year sales data be included in reviewing*
37 *the forecast cost and sales data provided in the GRA filing, specifically in the tables*
38 *provided for comparison purposes.”* The Board stated that (page 2) *“The Application*
39 *process will proceed upon receipt of the additional required information.”* Newfoundland
40 Power provided the additional information on December 13, 2023, 16 days after receiving
41 the Board direction.

1 Mr. Bowman concludes from these examples that Newfoundland Power can indeed meet
2 deadlines when properly motivated.