Q. (Reference 2027-2031 Capital Plan, Appendix B, 2027 CBA AMI Update)

Table 1 indicates that AMI would cost $118 million. Assuming no offsetting savings, and taking into account costs of New Meters and Meter Replacement requirements, what would be the impact on rates and customer's monthly bills relative to the rates proposed for July 1, 2027 in Hydro's 2026 GRA?

A. Newfoundland Power does not have an analysis completed to respond to the specific scenario requested in this Request for Information. The Company can provide, on a *pro forma* basis, that the initial impact on annual customer billings as a result of the implementation of a $118 million asset with annual operating costs of $2 million would be in the range of 1.5% to 2.0%.[1] This estimate considers cost reductions associated with the *New Meters* and *Replacement Meters* programs in the *2027 Capital Budget Application* and operating costs related to Newfoundland Power's current metering technology.[2]

[1] To determine customer rate and customer billing impacts, the Company assesses the impact on existing annual customer billings as a result of a change in revenues. See, for example, *Section 5.0 Customer Rate Impact* in Schedule 1 of Newfoundland Power's *Application for July 1, 2026 Customer Rates* filed with the Board on May 14, 2026. The estimate includes return on rate base, income tax, depreciation and operating costs revenue requirement impacts, as well as Municipal Tax Adjustment effects, associated with the full year impact of a $118 million asset implementation with an estimated useful life of 20 years and annual operating costs of $2 million.

[2] If AMI technology was implemented, meter purchases associated with Automated Metering Reading ("AMR") technology would no longer be required. There would also be no annual operating costs associated with AMR technology.