

Q. (Reference 2025 Capital Expenditure Report, Appendix A)

It is stated (page 4 of 7) "The New Meters program budget estimate is determined based on the forecast number of new customer connections and the five-year historical average cost. The 2025 budget estimate was based on a forecast of 2,220 customer connections. Actual customer connections were 3,122 representing a 41% increase."

- a) How many new AMR meters were installed in 2025, 2026 and proposed for 2027?**
- b) What is the estimated service life of these meters?**
- c) What is NP's estimate of the probability that these meters become stranded assets?**

- A.** a) Table 1 provides the total number of AMR meters installed in 2025 and a forecast of meter installations for 2026 and 2027.¹

Table 1 AMR Meters Installed	
Year	Installed
2025	6,349
2026F	6,460
2027F	5,957

There is a lead-lag relationship between the new distribution infrastructure being installed and the new customers being connected. Customers being connected in the current year could be connected utilizing infrastructure purchased in prior years and infrastructure purchased in the current year may not be required to connect new customers until future years.

- b) The average service life of the Company's AMR meters is 18 years.²
- c) Newfoundland Power is unable to quantify the probability of these meters becoming stranded.

¹ Newfoundland Power maintains its inventory and installations of meters in aggregate and does not identify separate inventories for new and replacement meters. The forecast of meter installations in 2026 and 2027 reflects the total meters forecast to be installed, including 3,400 replacement meters in 2026 and meters required to connect 3,060 new customers in 2026, and 3,615 replacement meters in 2027 and meters required to connect 2,342 new customers in 2027.

² The 2019 Depreciation Study determined the average service life of the Company's AMR meters is 18 years.