

1 **Q. (Reference 2026-2030 Capital Plan, Appendix B, AMI Update) Table 1**
2 **indicates that AMI would cost \$118 million. Assuming no offsetting savings,**
3 **and taking into account costs of New Meters and Meter Replacement**
4 **requirements, what would be the impact on rates and customer's average**
5 **monthly bills?**

6
7 **A.** Newfoundland Power does not have a revenue requirement analysis completed
8 associated with AMI technology, therefore the data requested cannot be provided. The
9 Company can provide that a \$118 million asset addition to Newfoundland Power's rate
10 base, with an estimated 20-year useful life and an annual operating cost of \$2 million,
11 would provide for an initial annual revenue requirement impact of approximately
12 \$9 million in the first year and \$17 million in the second year, on a *pro forma* basis.¹

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14 A \$17 million increase in annual revenue requirement from existing customer rates
15 would result in an approximate 2% overall average increase in customer rates.

¹ The first-year impact being roughly half of the second-year impact reflects the calculation of average rate base, the calculation of depreciation and the estimated operating costs for year one. For average rate base, the analysis is limited to the impact of a cost addition to rate base (cost less accumulated depreciation) and does not contemplate other potential impacts such as associated asset retirements.