

Maritime Electric Co. Ltd. (MECL) 2022 Capital Budget

Application – UE20733.

Clarification Questions for MECL – August 23 2021

Section 5.6: System Meters : The Exclusion of a “Smart Meters” Category in the 2022 Capital budget and the 2020 Integrated Resource Plan (IRP):

- 1) As the 2020 and 2021 Capital budgets captured the Smart Meters category total expenditure of \$630,000 as tangible assets, is there a report available to the Commission where the findings and conclusions have been documented and the summary strategy linking the two capital projects is introduced?
- 2) Noting that the introduction of demand based tariffs does not require AMI technology but could be at first enabled by deployment of the new Customer Information System/Billing System (CIS) and then followed by deployment of AMI, is this two-step approach being considered?
- 3) The factors relating to the above questions are:
 - a) The 2020 “Smart Meters” Budget Category of \$300,000 was set to “... allow the Company to engage third party expertise to develop a business case for the viability of full deployment and evaluate the proposals submitted through a competitive Request for Proposal process. Once these have been established, a small pilot project will be initiated with the successful vendor as a proof of concept”. The planned activities were to be:
 - i. Business Case Development \$100,000
 - ii. RFP Development, Evaluation and Selection \$100,000
 - iii. Proof of Concept/Reference Site Visit \$10,000
 - iv. Internal Resources \$90,000
 - b) The 2021 Capital Budget Application interrogatories cited that the transition to AMI was continuing under the 7.2 Information Technology budget as project “7.2c Customer Information System/Billing”. This project, which had a proposed budget allocation of \$330,000 “will help Maritime Electric define its CIS requirements, identify potential CIS solutions, and develop a strategy and approach for migrating to a new CIS”.
 - c) The 2021 Capital Budget Application interrogatories also explained that the approach for Commission approval for deploying “Smart Meters” and transitioning to full AMI was to be in two stages: 1) the Company will prepare an application seeking approval to invest in a new CIS that is designed to leverage the full range of AMI technology benefits and 2) the Company will then prepare an application for investing in an AMI conversion project.

The AMI conversion project:

- 1) The 2022 Capital Budget “List of future capital projects” now includes two new listings of a) “Smart Meters (AMI)” and b) “a MDM/R-CIS Billing” both planned to start in 2023. Please provide:
 - v. the AMI cost-benefit financial analysis
 - vi. a description and road map of the intended AMI deployment,
 - vii. a listing of the major advantages for customers,
 - viii. a description of individual customer energy use information that will be available
 - ix. an explanation of how the opportunities for customers to engage in new tariffs might evolve.

- 2) When will the 2020 Integrated System Plan be updated to describe the AMI plans?

West-East Transmission Infrastructure:

- 1) The Clyde River Substation including the Y109-Tap transmission project were both approved for the 2020 capital budget application. When will this new Substation be energized and operational?
- 2) When will the Y109 transmission line section from Connolly Woods to Bannockburn Road be replaced by the new Y119 section currently under construction?
- 3) When will the Y109 transmission section identified in 2) be refurbished and ready to replace Y111?
- 4) What is the latest planned year when the refurbished Y111 will be extended to provide the third West-East transmission corridor? Have the route extensions now been set?
- 5) The “List of future capital projects” also includes the two-year phasing of a “CT4 Combustion Turbine” starting in 2025. What will be the on-Island and off-Island infrastructure conditions that will determine the need for adding on-Island capacity? What size and cost for CT4 is envisaged and where is the most likely siting?