

Information Request AG-9-9

Request:

Please refer to the Company’s BCAs for the three scenarios involving full AMI deployments (Attachments 10A, 10B, and 10C). These BCAs indicate millions of dollars in operating expenses will be saved in disconnection and reconnection costs. Please provide the details associated with the calculations of savings in each of these three scenarios’ BCAs, including:

- a. The total number of disconnects avoided by year and the costs avoided by each;
- b. The number of disconnects for non-payment avoided by year and the costs avoided by each;
- c. The total number of reconnects avoided by year and the costs avoided by each;
- d. The number of reconnects for payments made on accounts previously disconnected for non-payment and the costs avoided by each.

Response:

Attachment 10A and 10B (Balanced and AMI Focused scenarios) both claim ██████████ in benefits for this category. Attachment 10C (Grid Focused scenario) and 10D (Opt In scenario) claim ██████████ and ██████████ respectively. The source of these values is found in the Company’s response to AG 3-31 (in Attachments AG-3-31 (a)-(d) Confidential) as the sum of F336 and F338 on sheet “5.SME”.

- a) For the BCA, the Company assumed 13,402 disconnects would occur each year. This value can be found in “63.NGRID Meter Service Costs” cell I5. The Company assumed this to be constant over the 10 year period.

These disconnects are only planned disconnections as disconnections for non-payment were not included in the BCA. A portion of these planned disconnects would be avoided based on the AMF deployment roll out schedule, as well as the scenario AMI scope. The total number of disconnects was reduced by a factor of .314, and by .02 for the Grid focused and Opt in Scenario, respectively, to reflect the reduced total percentage of AMF meters deployed in the service territory. The Company did not differentiate between disconnects and reconnects in the BCA because the costs were considered identical at ██████████ of labor and ██████████ of vehicle per job.

# of Avoided Disconnects per year	Year 1	Year 2	Year 3	Year 4	Year 5+
Balanced Scenario	0	1340	5361	9381	13402
AMI Focused Scenario	0	1340	5361	9381	13402
Grid Focused Scenario	0	421	1683	2946	4208
Opt-In Scenario	0	27	107	188	268

- b) No disconnections for non-payment were included in the BCA. The Company proposes to continue to make the required physical visit to the customer premise to inform them of imminent disconnection, but rather than having to perform the work on site, a remote disconnect may be utilized either at that time, or shortly thereafter. The Company believes this approach will increase the safety of its workforce as well as potentially provide the customer with an additional opportunity for payment. These benefits were not included in the BCA.

- c) For the BCA, the Company assumed 36,997 reconnects would occur each year, this can be found in “63.NGRID Meter Service Costs” cell I4. The Company assumed this to be constant over the 10 year period.

These reconnects are only planned reconnections/new connections as reconnections from previous non-payment disconnections were not included in the BCA. A portion of these planned reconnects would be avoided based on the AMF deployment roll out schedule, as well as the scenario AMI scope. The total number of disconnects was reduced by a factor of .314, and by .02 for the Grid focused and Opt in Scenario, respectively, to reflect the reduced total percentage of AMF meters deployed in the service territory. The Company did not differentiate between disconnects and reconnects in the BCA because the costs were considered identical at [REDACTED] of labor and [REDACTED] of vehicle per job.

# of Avoided Reconnects per year	Year 1	Year 2	Year 3	Year 4	Year 5+
Balanced Scenario	0	3700	14799	25898	36997
AMI Focused Scenario	0	3700	14799	25898	36997
Grid Focused Scenario	0	1162	4647	8132	11617
Opt-In Scenario	0	74	296	518	740

- d) The Company also assumed 21,730 reconnects would occur each year for payment, found in “63.NGRID Meter Service Costs” cell I6. The BCA did not include these reconnects as avoided cost. However if the Company were to include these reconnects in the BCAs, this would increase total benefits by approximately [REDACTED] in this category, and have a resulting positive impact on the benefit-cost ratios.