

Maritime Electric Co. Ltd. (MECL) 2020 Capital Budget Application – UE20730.

Clarification Questions for MECL – October 10 2019

Expansion of Table 1 – Proposed 2020 Capital Expenditures

- 1) For the data shown please expand the table to show the breakdown of the individual expenditures into the six (6) Expenditure Classifications identified in Figure 2.
- 2) As part of this expanded table please show the percentage allocation of the applicable Expenditure Classifications for each of the totals. The format used in response to the 2019 capital budget interrogatories, that also included the Capital Budget Evidence reference pages, provided a most useful summary.
- 3) References in the major transmission and distribution budget sections are made to the 2017 Integrated System Plan; generation, transmission and distribution plans have progressed since the release of this first Integrated System Plan. Please provide the date when this plan will be updated and published.

Appendix A - Summary of Capital Expenditures (2011-2020)

Although budget variances are normally reported in the following year, this table shows a significant increase of nearly \$4M in the forecast for Transmission and Distribution expenditures for 2019 as compared to the approved 2019 budget. As this table is provided to show year-to-year comparisons please provide the reasons for this increased forecast and a commentary on how it has affected or influenced the 2020 budget.

Note: the calculation error in line #8 of the 2020 budget column should be corrected.

Updates on Peak loads data and forecasts

- 1) As much of the capital budget is still presumably driven by actual and forecasted peak load growth please update the table provided in response to the 2019 capital budget interrogatories to show the PEI monthly net peak loads for 2016, 2017, 2018 and the to-date data for 2019.
- 2) As references in the past have referred to both MECL Peak Load and PEI Peak Load with actual data and forecasts for both measures changing each year, please include separately the actual MECL peak load data in the table referenced in (1) above.
- 3) The 2017 Integrated System Plan has a section “3.0 Energy and Peak Demand Forecast”. Please update and provide the tables 1 and 2 to include the actual data for 2017 and 2018 and any revised forecasts for 2019 to 2027 (and perhaps beyond).

System Meters - \$905,000:

Combination Meters - \$179,000

The capital budgets content for this meter type are:

- a. 2018: \$143,000 for 92 meters
 - b. 2019: \$144,000 for 94 meters
 - c. 2020 (proposed) \$179,000 for 94 meters
- 1) Please provide the explanation for the significant increase in per unit installation cost.
 - 2) Noting that the planned RI meter life replacement program is due to start in 2024 and the Bridge Combination meter is “plug compatible” with the Watt-hour Combination and the new/replacement quantities here are low, is there not a business case for deploying the Bridge Combination meter and discontinuing the Watt-hour Combination type?

Smart/Bridge Meters - \$300,000

- 1) As stated previously, the MECL objectives for the 2018 deployment of 200 Bridge Meters (\$50,000) were “to understand the communications infrastructure and data management requirements” in parallel “to investigate the capability and functionality of these advanced meters”. The 2019 deployment of an additional 375 Bridge Meters (\$100,000) was to expand this experience in providing statistically relevant load data for Residential and General Service customers. Please provide details on the latest findings that relate to the three (3) objectives described. Please provide the number of each type of meter deployed for the two customer classes and clarify the differences between the meters in terms of “Bridge watt-hour” or “Bridge Combination” and single phase or three phase application.
- 2) Based on the information released during the 2018 Rate Application hearing, additional load research meters have been deployed for some time now among selected farming customers. Are these Bridge meters or the standard Watt-Hour Combination type. If Bridge meters are being used are these the “Bridge Combination”/three phase type and have they been funded by the 2018/2019 Smart Meter capital budgets?
- 3) The text justifying the capital budget request of \$300,000 cites some subjective benefits but provides little detail. Please provide the budget line items for this expenditure and specify what knowledge gaps will be filled by engaging a third party to develop a PEI specific business case and then subsequently issuing an RFP to engage another third party to deploy a “small pilot project as a proof of concept”. It is noted that MECL staff successfully deployed a total meter replacement program from 2004 to 2012 for the RI meters and there are a number of Canadian examples where relatively small/local Utilities have been best suited to deploy Smart Metering.
- 4) A new, and overdue, section for “System Metering” must be included in the 2017 Integrated System Plan. This section would presumably capture the current deployment of Bridge Meters, the roll-out plan for deploying more smart meters and the supporting IT infrastructure. MECL has appropriately acted on the need for more customer-use data with the deployment of smart meters. This suggests that both a short-term change in metering and a longer term plan enabling major changes in electricity tariffs are required. Please provide the date when the 2017 Integrated System Plan will be updated with this information.