Date Filed: October 23, 2026

Witness: Jared A. Lawrence
Request from: Department of Energy and Environmental Protection

Question:

(AMI) Please provide greater insight as to why all $432 million of back office system upgrade expenses must be frontloaded before AMI meters can start incrementally realizing benefits for CT?

Response:

The most significant change that comes about with the implementation of AMI is the magnitude of change relating to data collection, storage, security and analysis. These changes require a major change in backroom information systems. In that regard, the Company's current legacy CIS and MDMS have only very limited capabilities and would be unable to support most AMI benefits related to the collection, storage, processing and analysis of interval usage data and advanced customer notifications in their current forms.

Accordingly, if the Company attempted to deliver some capabilities via the legacy systems, substantial investments be required to essentially "retro-fit" the legacy systems, which would constitute "throw-away" work, as the systems would still need to be replaced during the AMI Implementation Plan in order to enable the full spectrum of AMI benefits (including TVR). Additionally, the AMI Plan includes the design and deployment of the AMI meters and network, which are linked to the back-office systems by a modernized head-end system that collects the meter data from the network access points.

For example, one of the components of the AMI Plan is the integration of the new head-end system with the new MDMS. The installation of meters before the new MDMS is deployed would require an additional "throw-away" investment to integrate the new head-end system with the legacy MDMS. Therefore, the Company's approach is to first modernize the back-office systems prior to AMI meter deployment in order to achieve the most cost-efficient outcome, obviating the need to generate "throw-away" expenses for integrations between new technologies and retiring technologies with limited capabilities.