Date Filed: September 10, 2026

Witness: Douglas P. Horton and Jared A. Lawrence
Request from: Public Utilities Regulatory Authority

Question:

(AMI) Application, Lawrence and Horton PFT, pp. 15-16. The Company states that it will spend the first three years of the program building back-office IT platforms and communications networks before beginning physical meter deployment.

a. By what date does the Company expect these foundational computer systems and networks to be actively serving customers?
b. If applicable, please explain why it would be appropriate to recover capital costs for these IT systems from customers before AMI meters are actively transmitting data over the new network.

Response:

a. The critical back office IT platforms and communications networks to be deployed in preparation for AMI meter installation, and projected in-service dates (subject to further program schedule refinement) are as follows:

- Communications network devices: in-service dates range from 18 months to 36 months from date of AMI Plan approval

    - The AMI communications network is comprised of thousands of devices providing coverage across the service territory to collect and send data between meters and back-office systems via the headend system (HES). The network does not have a single "in-service" date; rather, network access points and relays are deployed and integrated with back-office systems via cellular technology neighborhood by neighborhood. Once a network device is installed and communicating with back-office systems, it is available for network testing and to initiate communications with any AMI meters within each of the radio signals. This allows the communications network to support AMI meter and grid-sensing device testing prior to mass market deployment, and it also allows the Company to begin AMI meter installations before the communications network is complete across the system. Therefore, upon activation, each communications network device provides a local foundation for testing activities and further AMI technology deployment.

- Customer Information System (CIS): in service 30 months from date of AMI Plan approval

- Meter Data Management System (MDMS): in service 30 months from date of AMI Plan approval

It is necessary for the new CIS and MDMS to be in service prior to the rollout of AMI meters so that there will be a seamless transition for customers to the AMI-based meter-to-cash processes and other AMI features. However, while the modern CIS and MDMS systems are necessary for AMI, their benefits extend beyond AMI enablement, and customers will enjoy those benefits upon launch of those systems even prior to receiving their AMI meters. The current CIS and MDMS are aging legacy systems that require the Company to retain access to support resources with increasingly specialized expertise and experience. Those legacy systems are typically costly and time-consuming to update with new functionality (such as new discount rate structures and financial protections), and they require increasing levels of investment by the Company to ensure they have updated cybersecurity protections. The modern CIS and MDMS will be provided by well-established software providers that consistently monitor the cybersecurity features of their platforms and provide regular upgrades and security updates. Those upgrades also ensure that the features and performance continue to evolve to meet the advancing needs of clients and their customers. Additionally, it will be more cost-effective for the Company to retain access to support resources for these modern and widely available platforms.

b. As explained above, the benefits of the foundational technology investments begin to accrue to customers well before AMI meters are installed. The AMI network devices allow the Company to test functionality and performance prior to mass deployment of AMI meters to ensure a more efficient and stable rollout. And customers will not need to have an AMI meter to begin benefiting from the enhanced security, efficiency and agility of the modern CSI and MDMS.

The costs for implementing back-office IT platforms and communications networks are appropriate for recovery from customers as these systems will be in-service, being used, and useful, even prior to full meter deployment. As discussed in Exhibit CLP-AMI-1 at 15, the communication infrastructure and supporting back-office systems must be in service in advance of meter deployment and to ensure an efficient transition from AMR to AMI.