Connecticut AMI Business Case Analysis

Scenario Analysis

July 2026

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Modeled Scenario:
Meter End-of-Life (EOL) Deployment

Meter EOL Deployment Scenario Summary

SCENARIO OVERVIEW

This scenario models AMI deployment on a non-accelerated schedule, with AMI meters installed once existing AMR meters reach end-of-life or malfunction starting in Year 2 rather than through a compressed 4-year deployment starting in Year 3. AMI-related benefits are realized starting in 2032 once all supporting systems are implemented and benefit accrue more gradually due to the slower pace of AMI saturation across the service territory. Costs are lower because supporting system investments and related O&M are delayed in addition to the elimination of Undepreciated Meter Balance as a cost.

KEY INPUTS CHANGED

Meters Replaced Per Year

Base	EOL Deployment
233k-466k	~75k
Year 3 - Year 6	Year 2 - Year 20

ANALYSIS RESULTS

Total 20-Year Cost and Benefit	Base Total NPV ($M)	EOL Deployment NPV ($M)
Total AMI Cost	**$1,557.3**	**$1,265.7**
Capital	$989.6	$806.7
O&M	$567.6	$459.0
Total AMI Benefit	**$1,205.4**	**$714.9**
Avoided Cost	$700.8	$435.0
Operational Savings	$115.3	$67.3
Customer Savings	$195.5	$106.8
Environmental	$176.8	$105.8
Other	$16.9	$0.0
Net Benefit ($M)	**-$351.9**	**-$550.7**
Benefit Cost Ratio (BCR)	**0.77***	**0.56**

*BCR presented to OCC/DEEP was 0.74 on May 26th.

AMI METER DEPLOYMENT

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036-2046	20-Year Total
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10-20	
Base	0	0	0	233k	466k	466k	233k	0	0	0	0	1.4M
EOL Deployment	0	0	75k	75k	75k	76k	76k	76k	76k	76k	76k	1.4M

KEY ASSUMPTIONS

- Undepreciated Meter Balance is removed as a cost since no meters will be replaced before reaching EOL or malfunction.
- Avoided Meter Capital is removed since EOL AMR meters are replaced with AMI meters not AMR meters. Returned Bridge Meter Credit is also eliminated as meters that reach EOL are not eligible for a credit.
- Several benefits scale with the number of AMI meters installed and are therefore materially lower in the EOL Deployment Case. In the Base Case, 1.4M meters are installed by Year 6 and generate benefits through Year 20. In the EOL Deployment Case, meters are deployed incrementally from Year 2 through Year 20, finally reaching 1.4M meters deployed by Year 20.

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Cost Category Comparison to Base Case

Cost Categories	Base NPV ($M)	EOL Deployment NPV ($M)	Variance ($M)	Main Drivers of Variances
Meters	$238.3	$179.7	-$58.7	75k meters plus 1.5% annual meter growth replaced each year starting in Year 2 though Year 20 due to EOL or malfunction compared to 1.4M replaced over 4 years from Year 3 to Year 6
Undepreciated Meter Balance	$66.2	$0.0	-$66.2	Eliminated since no meters will be replaced before reaching EOL or malfunction
Communications Upgrades	$167.4	$133.2	-$34.2	Delayed implementation in addition to lower annual SaaS fee cost due to less AMI meters installed
Meter Data Management System (MDMS)	$105.1	$88.2	-$16.8	Delayed implementation in addition to lower annual SaaS fee cost due to less AMI meters installed
Customer Information System (CIS)	$354.1	$304.8	-$49.3	Delayed implementation in addition eliminated Billing surge staffing for deployment
Organizational Readiness	$83.4	$79.4	-$4.0	Delayed spend
Contact Center	$77.2	$62.1	$-15.2	Delayed spend
Incremental Labor (Included in each Cost category)	$0.0	$0.0	-$0.0	Included in other cost categories
Outage Management System (OMS) Integration	$11.6	$9.8	-$1.8	Delayed implementation
Customer Experience Portal	$66.0	$57.5	-$8.5	Delayed implementation
VVO Enablement	$212.3	$200.8	-$11.5	Delayed implementation
Engineering and Customer Usage Analytics	$46.4	$37.7	-$8.7	Delayed implementation in addition to lower licensing for High Impedance Detection for Distributed Intelligence Software cost due to less AMI meters installed
Customer Engagement	$16.1	$14.2	-$1.9	Delayed spend
Cybersecurity	$45.7	$42.3	-$3.3	Delayed implementation
Revenue Assurance (Non-Technical Line Loss)	$20.4	$14.6	-$5.8	Delayed onboarding of theft investigators
Green Button Connect	$7.6	$4.8	-$2.8	Delayed implementation and lower hosting SaaS fee and bulk upload fee cost due to less AMI meters installed
Data Storage and Processing	$0.0	$0.0	-$0.0	Not impacted
Load Settlement	$39.4	$36.6	-$2.8	Delayed implementation
Contingency, Overhead, AFUDC	N/A	N/A	N/A	Contingency, Overhead, and AFUDC are included in individual cost categories but are each impacted depending on if spend increased or decreased
Total	**$1,557.3**	**$1,265.7**	**-$291.6**	

Benefit Category Comparison to Base Case

Benefit Categories	Base NPV ($M)	EOL Deployment NPV ($M)	Variance (in $M)	Main Drivers of Variances
Meter Reading	$21.2	$16.4	-$4.8	Benefit does not begin until 2032 once all supporting systems implemented in addition to a delayed reduction in FTEs
Avoided Meter Capital	$160.3	$0.0	-$160.3	Eliminated since meters are replaced as they reach EOL or malfunction
Remote Account Connect/Disconnect	$32.2	$31.7	-$0.5	Benefit does not begin until 2032 once all supporting systems implemented in addition to a delayed reduction in FTEs
No Trouble Found Calls Reduction	$5.7	$2.8	-$2.9	Benefit does not begin until all are supporting systems implemented in 2032
System Costs Avoidance	$199.5	$198.4	-$1.1	Survey meter cellular cost benefit does not begin until 2032 once all supporting systems implemented
Volt/VAR Optimization (VVO)	$163.8	$91.7	-$72.1	Reduced due to only 75k AMI meters installed per year compared to a 4-year deployment of 1.4M meters
Carbon Reduction	$176.8	$105.8	-$71.0	Reduced due to only 75k AMI meters installed per year compared to a 4-year deployment of 1.4M meters
Asset Optimization	$96.4	$87.3	-$9.1	Benefit does not begin until 2032 once all supporting systems implemented in addition to lower avoided sensor cellular charges cost due to less AMI meters installed
Advanced Engineering Analysis	$38.7	$19.3	-$19.4	Reduced due to only 75k AMI meters installed per year compared to a 4-year deployment of 1.4M meters
Avoided Connectivity Survey	$6.7	$3.8	-$2.9	Reduced due to only 75k AMI meters installed per year compared to a 4-year deployment of 1.4M meters
Improved Restoration Major Storms	$162.4	$77.9	-$84.4	Reduced due to only 75k AMI meters installed per year compared to a 4-year deployment of 1.4M meters
Improved Restoration - Blue Sky	$2.5	$1.2	-$1.3	Reduced due to only 75k AMI meters installed per year compared to a 4-year deployment of 1.4M meters
Reduced Bad Debt	$74.5	$47.8	-$26.7	Benefit does not begin until 2032 once all supporting systems implemented
Reduced Theft and Non-Technical Line Loss	$16.5	$6.6	-$9.9	Reduced due to only 75k AMI meters installed per year compared to a 4-year deployment of 1.4M meters
Reduced Soft Close Loss	$24.3	$12.8	-$11.5	Reduced due to only 75k AMI meters installed per year compared to a 4-year deployment of 1.4M meters
Time of Use / Time Varying Rates	$23.9	$11.4	-$12.5	Reduced due to only 75k AMI meters installed per year compared to a 4-year deployment of 1.4M meters
Customer Targeting for Incentives	$0.0	$0.0	--	Not impacted
Improved Reliability	$0.0	$0.0	--	Not impacted
Billing Accuracy and Timelines	$0.0	$0.0	--	Not impacted
Total	**$1,205.4**	**$714.9**	**-$490.5**	