

ADVANCED METERING INFRASTRUCTURE (AMI) PROJECT

Project Status Report to NBEUB

For the Quarterly Period ending September 30, 2026

ADVANCED METERING INFRASTRUCTURE (AMI) PROJECT

Project Status Report to NBEUB

Background

NB Power filed an application for AMI with the New Brunswick Energy and Utilities Board (NBEUB) on August 1, 2019, and the matter was heard by the NBEUB January 13-22, 2020. On September 4, 2020, the NBEUB approved NB Power's AMI capital project application, and work progressed with the project team and third-party vendors through the completion of mass deployment activities. Project implementation proceeded following Board approval, with mass deployment activities commencing in 2023 and reaching completion at the end of 2025.

This report complies with the approved format and conditions, which requires NB Power to provide this report electronically on a quarterly basis to the NBEUB and share it on www.nbpower.com for public access in both official languages.

Objective

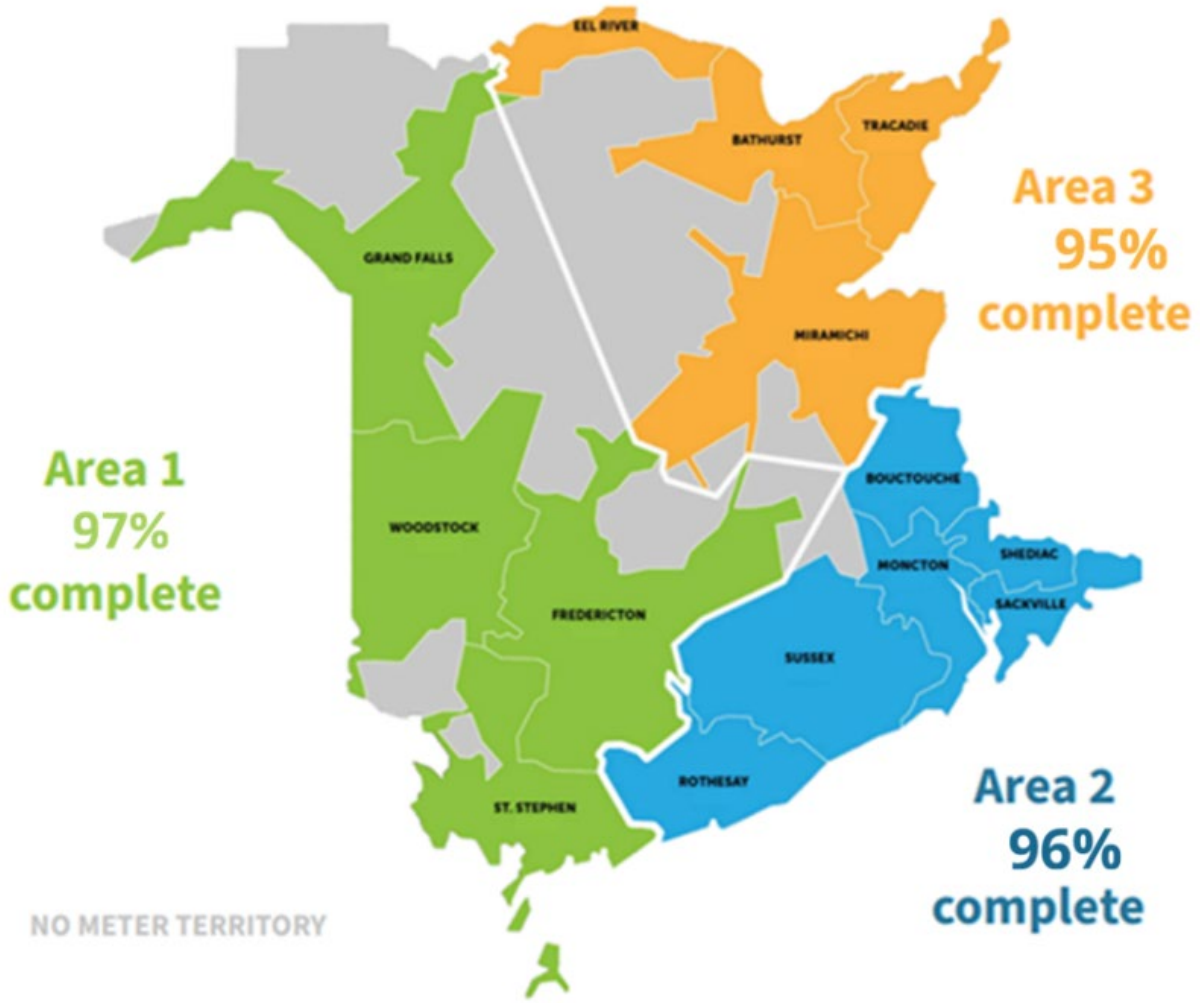
The objective of this report is to provide a quarterly status update to the NBEUB on the AMI Project. This includes updates on project costs, the progress of remaining operational activities, and the realization of its quantified and non-quantified benefits, as compared to the AMI business case filed with the NBEUB in Matter 452 of September 4, 2020.

This report, covering the period ending September 30, 2026 focuses on the realization of AMI benefits and ongoing operational activities. These operational activities include return to utility (RTU) installs[1], network mitigation initiatives, and customer opt out management. This work follows the completion of AMI mass deployment activities.

[1] Return to utility meters are meters that were not installed during mass deployment due to site, customer, or technical constraints.

Summary of Results as of Quarter ending September 30, 2026

- Approximately 378,994 meters (96 percent) have been upgraded to AMI.
- Network mitigation activities in areas 1, 2, and 3 are ongoing. Network hardware continues to be installed to improve the consistency of meter data communications. This work could only be fully assessed once meters were installed, as the deployed meters enable identification of coverage gaps and performance issues requiring mitigation. Solutions are being implemented with a forecasted timeline for the fiscal year 2026/27 to complete this activity.
- Provincially there is, on average, over 95 percent of remote read connectivity, resulting in a reduction of manual meter reads and truck rolls for reconnects and disconnects. These efficiencies will continue to improve as network mitigation progresses.
- As part of deployment of the three-phase transformer rated meter upgrades, NB Power has 5,880 meters installed out of approximately 6,271. These upgrades are taking place separately from mass deployment due to the complexity of installation requiring unique coordination. The remaining scope is being reassessed to account for locations that may require alternative metering solutions due to customer-specific technical requirements that are not compatible with the standard AMI meter deployment.
- A meter choice campaign was launched on June 15 to encourage customers that have opted out of receiving an AMI meter to reconsider their decision. As of September 30, 2026, 2,674 customers have opted-in.


EEL RIVER
BATHURST
TRACADIE
GRAND FALLS
MIRAMICHI
BOUCTOUCHE
WOODSTOCK
MONCTON
SHEDIAC
SACKVILLE
FREDERICTON
SUSSEX
ROTHESAY
ST. STEPHEN
Area 3
95%
complete
Area 1
97%
complete
Area 2
96%
complete
NO METER TERRITORY

Financial Results

The business case detailed the net present value of the lifecycle costs and benefits of AMI. NB Power is reporting on AMI project costs presented in Matter 452 evidence, Table 2.3.1, lines 4-8. The sunk costs to the end of fiscal year 2018/19 are not included because they were not part of the business case or Table 3.2. Table 2.3.1 has been restated below to break out the costs into the categories presented in Matter 452 evidence Table 3.2. This includes all costs incurred in fiscal year 2019/20 to the completion of system-wide coverage of AMI.

The table below represents project costs incurred to date.

Costs	Actuals to date ($M)	AMI Project Costs Budget ($M)	% of Total
3.2.1 AMI Capital	$58.3	$53.3	109.4%
3.2.2 AMI Operating	3.4	5.9	58.5%
3.2.3 MDM Operating - Completed	2.3	2.9	79.0%
3.2.4 Meter Installation Capital - Completed	10.3	11.5	90.0%
3.2.5 CIS/WFM/ESB Capital - Completed	7.1	8.8	80.2%
3.2.6 MDM Capital and AMI Project Team	13.9	8.0	175.1%
3.2.7 CIS/WFM/ESB Operating	3.8	3.5	109.0%
3.2.8 Corp Services & Other Capital	4.5	3.1	144.8%
3.2.9 Utility Tax - Completed	0.0	0.0	0.0%
3.2.10 Corp Services & Other Ops	1.6	0.3	629.1%
3.2.11 Pre-Engineering Capital - Completed	0.1	0.1	81.7%
Total	**$105.3**	**$97.2**	**108.3**

Note to Reader: Financial tables reflect differences due to rounding

Completed lines are final with no further changes

Variance explanation

- 3.2.1 AMI Capital – spending in this category is for the installation of the network hardware and 378,994 AMI meters. The bulk of spending in this category is complete. Remaining work includes network mitigation activities towards sector acceptance and remaining meter installations that were previously RTU during mass deployment.
- 3.2.2 AMI Operating – meter base repairs and initial software costs related to the Head End system are included in this category. Please note that meter base repairs associated with mass deployment have been completed; however, some meter base repair work will continue as part of the remaining meter installations.
- 3.2.3 MDM[2] Operating – this category includes costs related to annual operating costs of the MDM. Spending in this category is complete.
- 3.2.4 Meter Installation Capital – spending in this category is related to the installation costs of meters during mass deployment. Spending on this category is complete.
- 3.2.5 CIS/WFM/ESB[3] Capital – the work in this category is related to system integration, specifically the contract with Utegration. This portion of the project is complete.
- 3.2.6 MDM Capital and AMI Project Team – covers the work to implement the MDM as well as the budget for the project team for the duration of the project. This cost category was almost completely spent at the end of December 2022. Of the $8.0 million budget in this cost category, $2.3 million (inclusive of contingency) was for the MDM contract that was not signed at the time that the business case was prepared. The final contract value was $2.8 million, putting this item $0.5 million over budget from the onset. The MDM has been implemented within the contract amount. The remaining $5.7 million that was budgeted for the project team has been fully exhausted. Two of the main drivers of the increased cost of the project team were: the initial delay in starting mass meter deployment and the reliance on hired services as key project team members were not anticipated when the business case was prepared. NB Power does not see an opportunity to mitigate these costs at this time.
- 3.2.7 CIS/WFM/ESB Operating – the implementation of the customer portal falls within this cost category. When the AMI business case was being developed it was assumed that NB Power would work with the contracted vendor who was hosting the portal for the Home Energy report to also offer the AMI portal and high bill alert program. When the work started on the AMI portal, procurement rules required NB Power to issue a request for proposal (RFP) for the service. This resulted in significantly higher implementation costs as well as annual hosting costs that are $1.2 million higher than what was budgeted. Although the costs are higher, the portal provides customers with access to their consumption information as well as high usage alerts that will allow them to better manage their energy usage and lower their bills. There is no opportunity for NB Power to mitigate the additional costs related to the portal. Remaining cost in this category relates to the ongoing Meter Choice communications to highlight the benefits of Smart Meters and encourage customers who have previously opted out of a Smart Meter to make the switch.
- 3.2.8 Corp Services & Other Capital – higher than budgeted due to the delays in the project that were out of NB Power's control, resulting in increased interest and overhead carrying

[2] Meter Data Management (MDM)

[3] Customer Information System (CIS), Workforce Management System (WFM), Enterprise Service Bus (ESB)

cost. NB Power is forecasting to be $1.5 million over budget in this cost category with no opportunities to reduce them.

- 3.2.10 Corp Services & Other Ops – higher than budgeted due to an unforeseen escalation in the price of non-meter materials such as rings and seals.

All other project expenditures are on schedule and are in line with the planned work.

Risks

NB Power's Enterprise Risk Management framework and process take a strategic view of risk in all aspects of business management and is applied consistently at the strategic, business unit, program, and project level. NB Power manages risks, within its risk tolerance, consistently and comprehensively through a continuous, proactive, and dynamic process that identifies, understands, manages and communicates risks that may impact NB Power's strategic goals.

The following risks have been identified as items specific to the success of the overall AMI Project and are monitored and reported on monthly to the Strategic Portfolio Management – Executive Oversight Committee which is comprised of NB Power senior leadership including members of the executive team.

#	Risk		Mitigation Activity
1	Return to Utility (RTU) Meter Work – complex meter installs remaining	Y ↓	There is a risk that the higher than anticipated volume and complexity of RTU installations will extend completion timelines, resulting in impacts to the number of meter installs required for network mitigation activities. A mitigation approach has been established to manage this risk through the transition of remaining activities into the post-AMI mass deployment phase, with defined oversight and ongoing reporting. This approach includes an RTU work plan with prioritized sequencing, confirmed resource requirements, and integration of RTU progress and network mitigation status into regular operational reporting.
2	AMI Network Mitigation and Sector Acceptance Delay	Y ↔	There is a risk that full realization of the expected AMI benefits will be delayed due to technical limitations affecting network optimization, stability, and sector acceptance. A system upgrade has been identified as the proposed technical solution, enabling remote firmware upgrades for deployed meters and supporting improved network performance. Implementation of the upgrade is currently planned for the end of fiscal year 2026/27. In the interim, the team continues to implement network devices where applicable and address performance issues.

Legend for Risk Indicator Results		
Green	Potential impact and/or probability of the risk occurring is low. Issues that have arisen or may arise are considered manageable in the normal course of operations.	≤ 59% of Key Risk Indicator targets are occurring
Yellow	Potential impact and/or probability of the risk occurring is medium. Issues have surfaced or remain present requiring focus.	≥ 60% of Key Risk Indicator targets are occurring
Orange	Potential impact and/or probability of the risk occurring is high. Serious issues exist which require close senior management attention.	≥ 75% of Key Risk Indicator targets are occurring
Red	Potential impact and/or probability of the risk occurring is very high or critical. Serious issues exist which require immediate senior management attention.	≥ 85% of Key Risk Indicator targets are occurring

Trend Indicator Legend					
↑	Significance is increasing	↔	Remaining the same	↓	Significance is decreasing

Quantified Benefits Realized

The following table represents the benefits of AMI that were accepted by the Board in the decision of Matter 452. The majority of these benefits will be realized post full deployment of AMI.

The benefits are shown in present value and real dollars to provide a correlation between the accepted present value in the decision and the real dollar value that is targeted that NB Power will be tracking against over the life of the AMI meters.

Benefit	(PV $ millions)	Target (Real $ millions)	Actual	% Realized
Reduced Manual Meter Reading and Meter Service Order Benefits	39.9	65.9		
Avoided Cost of Meter Replacements	22.0	35.4		
Conservation Voltage Reduction	16.2	25.7		
Distribution Network Losses	15.0	25		
High Bill Alert	10.3	17.1		
Load Research Meters	5.2	8.5	1.56	18.4 %
Net Metering	4.3	8.0	0.52	6.5 %
Meter Services Manager Salary	1.8	3.0	1.10	36.6 %
Avoided Cost of Meter Reading vehicles	1.8	2.8		
Outage Restoration (Crew Management)	1.6	2.6		
Reduced Customer Inquiries	1.4	2.4	0.34	14.1%
Avoided Cost of Handheld System	1.4	2.2	0.37	16.8 %
Avoided Cost of Meter Reading Supervisor	1.0	1.6	0.45	28.1 %
Reduced Overtime for Meter Service Orders	0.6	1.0	0.12	12.0 %
Total Benefits	$122.4	$201.1		

Update:

Some of the benefits will be realized post implementation of the smart meters. NB Power will continue to report benefits as they become measurable. One additional benefit—Avoided Cost of Handheld System—is now reportable and has been incorporated into the benefits table above.

Non-quantified Benefits:

Non-quantified benefits will be measured and reported as they are realized throughout the meters' lifetime. Currently there is nothing to report.

AMI PROJECT UPDATE

Period ending September 30, 2026

Énergie NB Power | the power of possibility
débordant d'énergie