



## Nova Scotia Utility and Review Board

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October 11, 2017

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Carl Yates, M.A.Sc., P.Eng.  
General Manager  
Halifax Regional Water Commission  
450 Cowie Hill Road  
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Dear Mr. Yates:

**M07473 - Halifax Regional Water Commission – Capital Expenditure Request Associated with the Installation of Automated Meter Infrastructure (AMI) and Approval of Amendments to the Regulations to Support the AMI Project (W-HRWC-E-16)**

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The Board has reviewed Halifax Regional Water Commission's (Halifax Water) letter dated October 4, 2017, providing an update on the Automated Meter Infrastructure (AMI) meter installations. The capital expenditure associated with the installation of AMI was approved by the Board in a decision letter dated October 6, 2016. Your letter further outlines Halifax Water's interpretation of the Regulations associated with AMI, which were also approved by the Board in its decision letter.

The Board Member assigned to this matter is Peter W. Gurnham, Q.C., Board Chair.

The Regulations subject to the interpretation are:

- 45A(1) Where AMI becomes available to a Customer, the Commission may require such Customer to have an AMI meter installed for the metering of Service.
- (2) Where AMI is the standard meter in use, and a new Customer at an existing or new location refuses to permit the installation or continued use of an existing AMI meter and, as a result of such refusal, the Commission installs a manually read meter, such Customer will be subject to a charge of \$50.00 for the measurement of Service by a meter which is required to be read manually and such meter will be read on a quarterly basis.
- 45(1) All water Service shall be metered, except as otherwise provided in these Regulations.

Your letter notes that Halifax Water interprets the Regulations to read that while new customers can refuse the installation of AMI meters, and will be subject to the manual read fee, existing customers must convert to AMI. Regulation 45A (1) and (2) were additions, approved as a part of the AMI application, whereas Regulation 45(1) existed prior to the AMI application to the Board.

The Board notes that as a part of the AMI meter installation capital expenditure request, the wording of Regulation 45A (2) was revised. The Regulation was originally proposed as follows:

45A(2) Where a Customer refuses to permit the installation of an AMI meter and, as a result of such refusal, the Commission installs a manually read meter, such Customer will be subject to a charge of \$50.00 for the measurement of a Service by a meter which is required to be read manually and such meter will be read on a quarterly basis.

The Board did not approve the Regulation as proposed, as set out in the following paragraphs of the decision letter dated October 6, 2016:

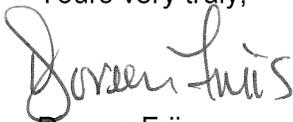
HRWC also proposed a meter reading charge of \$50 to be applied in cases where the customer decides to opt out of receiving an AMI device (*Regulation 45A (2)*). Given that the current rates are based upon the recovery of HRWC's expenses, including meter reading expenses, this charge appears to be inappropriate at this time for current customers, who would see no change in service level, yet are asked to be charged an additional \$50. In addition, this charge may also be viewed negatively by customers at a time when HRWC should be seeking support for the AMI program. However, in cases where AMI is the standard meter in use, and new customers refuse to use this standard AMI meter, there is an additional cost to HRWC and, accordingly, the proposed additional meter reading charge may be applied.

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The Board does not approve the addition of *Regulation 45A(2)* as proposed, which sets out a \$50 charge for manual meter reads in cases where the customer refuses to permit the installation of an AMI meter. The Board approves the charge for new HRWC customers only, but the charge should not be applied to existing customers, for the reasons outlined above. The Board is prepared to revisit this issue as a part of HRWC's next general rate application.

Halifax Water's proposed Regulation 45A (2) referred to a Customer refusing the installation, with no distinction between existing and new customers. In its decision, the Board made this distinction with respect to charging the manual read fee. No distinction was made for the notion of refusal of service, and there was no evidence submitted in the original Application to suggest this. The Board's decision and approval of the Regulations were based on the information presented at that time. As such, the Board does not find the approved Regulation to mean that only new customers can "opt out" of the AMI meter installation, rather it is only these new customers to which the manual read fee applies. This is discussed in the Board's decision, as referenced above.

Yours very truly,



Doreen Friis  
Regulatory Affairs Officer/Clerk

c. Cathie O'Toole, HRWC