ADVANCED METERING INFRASTRUCTURE (AMI) PROJECT

Project Status Report to NBEUB

For the Quarterly Period ending December 31, 2025

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Background

New Brunswick Power Corporation (NB Power) is continuing to leverage technology advancements that will improve its ability to respond to changing customer expectations, address climate change, modernize the grid, and focus on continuous process improvement. New technologies such as Advanced Metering Infrastructure (AMI) will enable NB Power to improve its service to customers and help them better understand their electricity usage and use energy more wisely. AMI will help NB Power better manage the rising demand on the electricity system well into the future, while laying the groundwork for a wide range of new customer benefits.

AMI is foundational to the grid modernization program and involves three key technologies:

1. Advanced Meters
2. Head-End System (HES)
3. Meter Data Management System (MDMS)

These three AMI technologies, in combination with the associated communications network, are critical components of NB Power's overall grid modernization program.

The many benefits of AMI include providing tools and programs to give customers more control over their electricity consumption and costs and laying the groundwork for new customer-focused programs and services. Within NB Power's day-to-day operations, AMI will also increase efficiency of meter data collection, billing, and disconnects/reconnects. Power restoration will be improved as a result of quicker notification of outages which could reduce response time.

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. As a result of the requested and Board-approved delay due to the COVID-19 pandemic, on September 4, 2020, the NBEUB approved NB Power's AMI capital project application and work is underway with the project team and third-party vendors.

The NBEUB decision directed NB Power "to propose, at the next general rate application, a set of metrics or progress indicators to track the project. This should include progress indicators to track the rollout of the project, as well as its timeline, costs, and the realization of its quantified and non- quantified benefits. The proposal should also include a reporting and review schedule, and a communication plan for stakeholders

and ratepayers."

NB Power proposed a reporting format in response to the directive. The format was reviewed and approved by the NBEUB on May 27, 2021 on a preliminary basis with specific conditions. 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 the www.nbpower.com for public access in both official languages.

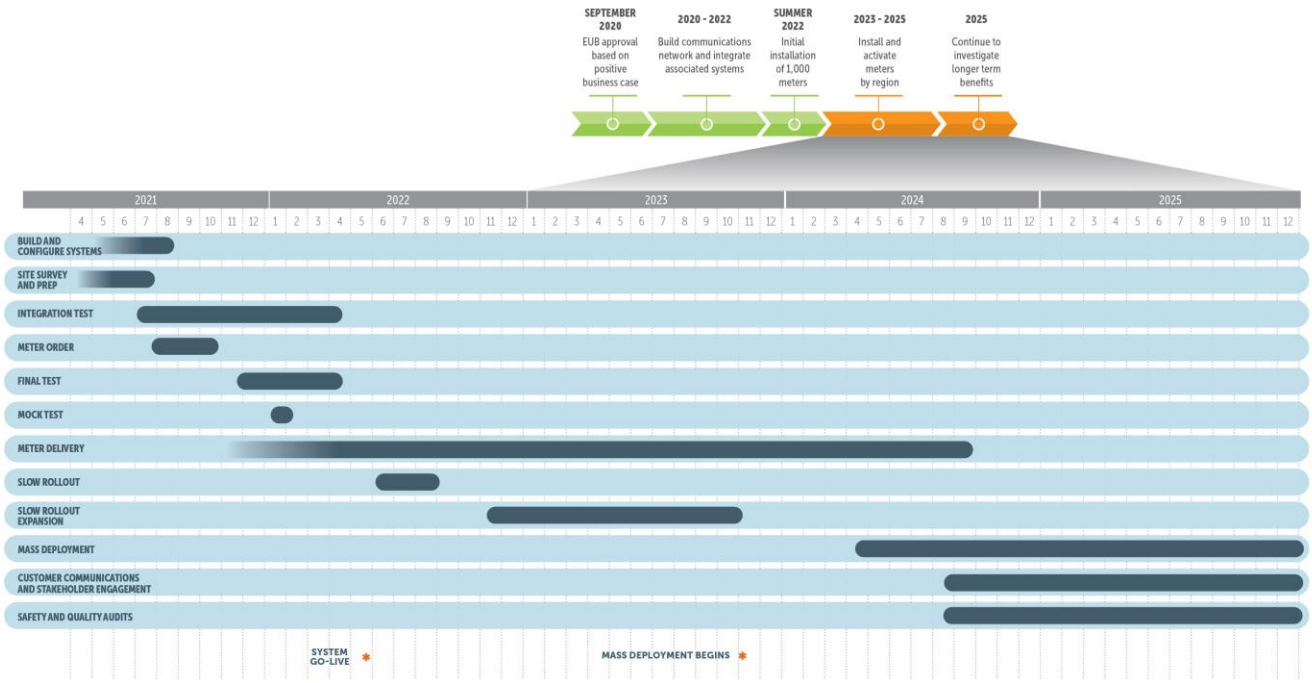
Objective

The objective of this report is to provide a quarterly status update to the NBEUB on the AMI Project. This includes progress indicators tracking the project rollout, as well as its timeline, costs, and the realization of its quantified and non-quantified benefits, as compared to the AMI business case filed with the NBEUB in Matter 452. Updates on customer engagement and project risks are also provided in this report.

NB Power's AMI Project involves several key vendors to deliver on various aspects of the project, with NB Power project management providing oversight over the entirety of the project. The main vendors and their contributions are as follows:

- **Utegration** – experienced System Integrator providing technical oversight to the multiple elements requiring interfaces with NB Power's SAP enterprise asset management system and AMI related systems.
- **Itron** – Meters and Head End System
- **Siemens EnergyIP** – Meter Data Management System
- **Olameter** – deployment of new meters across the province

Project Timeline



Summary of Results as of Quarter ending December 31, 2025

- Approximately 360,599 meters (92 percent) have been upgraded to AMI.
- As of the end of 2025, Mass Meter Deployment is complete across the province, leaving complex installations for NB Power to complete.
- The Area 1 meter population is now 95 percent AMI (Fredericton, Grand Falls, St Stephen, Woodstock).
- The Area 2 meter population is now 92 percent AMI (Moncton, Rothesay, Sussex, Bouctouche, Shediac, Sackville).
- The Area 3 meter population is now 88 percent AMI (Miramichi, Bathurst, Tracadie, Eel River).
- Area 1and Area 2 network mitigation activities are ongoing. Network hardware continues to be installed to improve the consistency of meter data communications. Solutions are being implemented with a forecasted timeline of Fiscal Year 27 to complete this activity.
- Provincially there is on average over 90 percent remote read connectivity, resulting in a reduction of manual meter reads and truck rolls for reconnects and disconnects. Efficiencies will improve as network mitigation progresses.
- There was an average of 230,000 website logins per month during this quarter, a 24 percent increase compared to 186,000 average logins per month during the same quarter last year. Note: A customer login does not necessarily indicate engagement with the usage graph; however, the graph is displayed on the default landing page when the customer logs in.
- NB Power planned for 0.75 percent of meter installations to result in a meter base repair. Through Mass Meter Deployment, the project experienced a lower than forecasted repair rate of 0.67 percent.

Financial Results

The business case detailed the net present value of the lifecycle costs and benefits of AMI. NB Power will be 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 included in the costs in 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	$56.1	$53.3	105.3%
3.2.2 AMI Operating	3.2	5.9	54.1.5%
3.2.3 MDM Operating	2.3	2.9	79.0%
3.2.4 Meter Installation Capital	10.3	11.5	89.5%
3.2.5 CIS/WFM/ESB Capital	7.1	8.8	80.2%
3.2.6 MDM Capital and AMI Project Team	13.4	8.0	168.4%
3.2.7 CIS/WFM/ESB Operating	3.7	3.5	107.8%
3.2.8 Corp Services & Other Capital	4.5	3.1	143.9%
3.2.9 Utility Tax	0.0	0.0	0.0%
3.2.10 Corp Services & Other Ops	1.6	0.3	622.7%
3.2.11 Pre-Engineering Capital	0.1	0.1	81.7%
Total	**$102.2**	**$97.2**	**105.1%**

Note to Reader: Financial tables reflect differences due to rounding

Variance explanation:

- 3.2.1 AMI Capital – the bulk of this spending is for the installation of the network hardware and 360,599 AMI meters.
- 3.2.4 Meter Installation Capital – spending in this category is related to the installation costs of meters. Most of the spending in this category is now complete.
- 3.2.5 CIS/WFM/ESB 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 $0.5M 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 the mass deployment of meters and the reliance on hired services as key members of the project team that 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 CISWFM/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 is providing customers 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. Note: Customer Information System (CIS), Workforce Management System (WFM), Enterprise Service Bus (ESB)
- 3.2.8 Corp Services & Other Capital is trending higher to date than budgeted due to the delays in the project that were out of NB Power's control, resulting in increased interest and overhead carrying cost. NB Power is forecasting to be $1.5 million over budget on this cost category with no opportunities to reduce them.
- 3.2.10 Corp Services & Other Ops is trending higher than budgeted due 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. NB Power continues to monitor forecasted expenditures closely and works with vendors to mitigate cost pressures wherever possible.

Fiscal Year Project Schedule

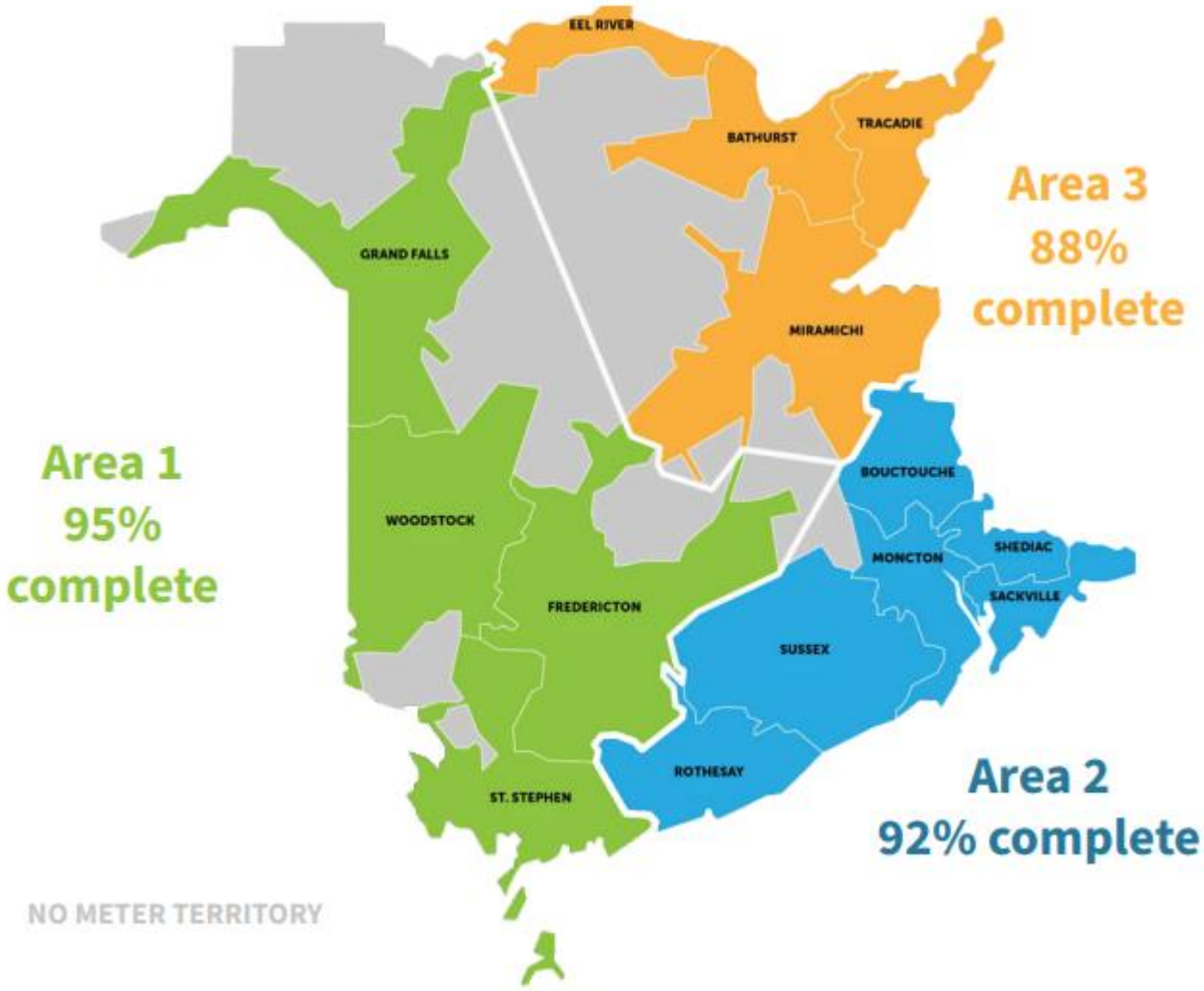
Update:

- The province of New Brunswick meter population is now made of 360,599 (92%) AMI Meters and 30,000 (8%) legacy meters.
- Mass meter deployment concluded in December 2025 resulting in the following % meter population completion in each Area:
    - AREA 1 – 95percent AMI Meters / 5 percent Legacy Meters
    - AREA 2 – 92 percent AMI Meters / 8 percent Legacy Meters
    - AREA 3 – 88 percent AMI Meters / 12 percent Legacy Meters
- Legacy meter population remaining is made up of install attempts that were not straight forward or customers that have opted out of an AMI Meter.
- Meter installation activities will continue for part of the remaining legacy meter population in the province. This is the planned 'clean up' phase - focused on installs that were not straight forward or required follow up, for example, access issues, customer reschedule, repairs required, etc.
- A meter choice campaign has been developed to address customers that have opted out in an effort to exchange their legacy meter for an AMI meter. This work will ramp up in 2026.

Meter Deployment

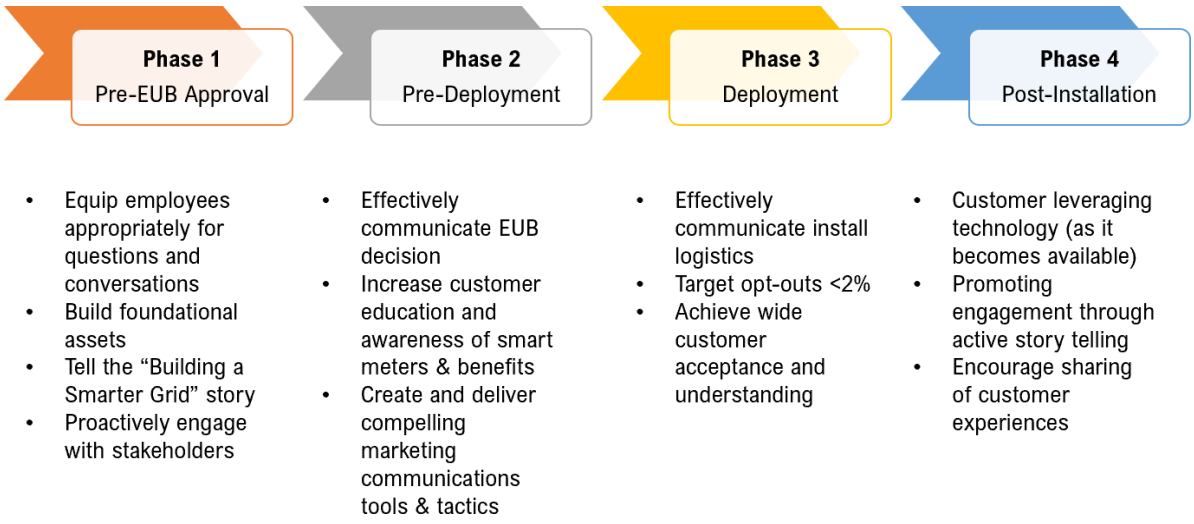
- As part of deployment of the three-phase transformer rated meter upgrades, NB Power has 5,507 meters installed out of approximately 6,023. These upgrades are taking place separately from mass deployment due to the complexity of installation. Special circumstances such as a pulse output capable meters, load research customer, First Nations three phase transformer rated meters will require unique coordination.
- NB Power supplies, owns, and maintains the electric meter. The meter base is the property of the home or business owner, and it is typically their responsibility to repair or replace it if the enclosure is in poor condition. As we deploy smart meters across the province, NB Power is covering the cost of repairs to meter bases. NB Power had planned for 0.75 percent of meter installations to result in a meter base repair. There have been 1,984 meter base repairs to date (0.67 percent), including. 83 meter base repairs were received this past quarter. After the smart meters are installed, customers will be responsible for their own meter base as they were before the smart meter upgrade.
- Mass deployment of smart meters to NB Power customers started on November 1, 2023 with Area 1 (see below map) and concluded in December 2025, on schedule.

AMI Installations by Area



Stakeholder Engagement

The customer communications and engagement strategy includes four phases as illustrated by the diagram below. http://www.nbpower.com/



Update:

- NB Power has completed the customer notification process to advise customers of meter installations.
- Regular surveys are conducted with customers who receive meters. Overall results as of December 2025 found that:
    - 87 percent felt neutral toward or satisfied with the overall meter upgrade experience
    - 65 percent recalled receiving information prior to the installation
    - 75 percent said the information received was helpful in preparing them for what to expect at installation.
- As of December 31, 18,122 customers (4.8 percent of all meter install attempts, 4.6 percent of full meter population) have requested to be placed on the Do Not Install list.
    - An opt out customer recovery plan, or "Meter Choice" campaign is in development to encourage customers to opt back in will be launched in April 2026.
- Internally, the AMI project team continues to share information regularly for employees working in areas of the business affected by AMI. Project leadership met with field staff monthly to share the progress and answer questions.
- There were 4,354 visits to the smart meter section of the website, a 2.2 percent increase compared to the previous quarter.

Risks

NB Power's Enterprise Risk Management framework and process takes 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 ↔	The Meter Install RTU rate is higher than what was anticipated at the project onset. This results in a higher than planned NB Power workload. Due to the complexity of the installations, there is a risk that network mitigation/sector acceptance for some areas of the province are delayed, resulting in small percentage impacts in meter communication, including impacts to the consumption graph. In addition, there is a risk that AMI benefits could be delayed. Monitoring and supporting as required.
2	AMI Network Mitigation and Sector Acceptance Delay	Y ↔	There is a risk of network mitigation and sector acceptance delays impacting a percentage of AMI benefits. The delay is due to technical limitations and dependencies, leading to delay in realizing AMI network optimization, stability, sector acceptance. A technical solution has been identified, however has several dependencies resulting in its availability in later in 2026. The team continues to implement network devices where applicable and addressing performance issues along the way while the technical solution is tested and delivered.

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		
Net Metering	4.3	8.0	0.31	3.61 %
Meter Services Manager Salary	1.8	3.0	1.02	33.91%
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	0.25	10.61%
Avoided Cost of Handheld System	1.4	2.2		
Avoided Cost of Meter Reading Supervisor	1.0	1.6	0.41	25.53%
Reduced Overtime for Meter Service Orders	0.6	1.0		
Total Benefits	$122.4	$201.1		

Update:

Many of the benefits will be realized post implementation of the smart meters. NB Power will report benefits as they become measurable.

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 December 31, 2025

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