AMI Benefit Implementation Progress Report for Year ending December 31, 2025

Background

In accordance with Ordering Clause 8 of the New York Public Service Commission's (PSC) November 19 2020 Order in Cases 19-E-0378, et al., New York State Electric & Gas Corporation (NYSEG) and Rochester Gas and Electric Corporation (RG&E) (together, the Companies) submitted an AMI Benefit Implementation Plan on January 18, 2021 (2021 AMI Benefit Implementation Plan) that identified 25 benefits that the Companies would seek to realize or explore during the life of the AMI investment.[1]

The 2021 AMI Benefit Implementation Plan indicated that the AMI Program Management Office (PMO) would provide annual reports describing the progress being made to achieve these benefits:

> "*The PMO will issue an annual Benefits Implementation Report, describing progress towards achieving the benefits identified in this Plan.*[2]"

2021-2025 progress towards benefit realization

Installing and successfully operating the AMI system across the Companies' service territories is the critical foundation for realizing benefits from AMI. At the end of 2025, the Companies' AMI project is substantially complete, along all key dimensions:

- The AMI project approved in the 2020 Joint Proposal targeted 1,896,477 electric and gas meters for conversion to AMI. By the end of 2025, a total of 1,848,260 gas and electric meters, representing about 98 percent of the targeted meters, have either been installed (1,715,715 meters) or designated as opt-out meters by the customers to whom the meters are assigned (132,545 meters).
- All the devices for the communications network for electric meters and gas meters co-located with electric meters, representing all but approximately 80,000 meters, have been installed.
- The computer hardware and software for the key AMI system requirements, including the upgrade of the customer information system, the AMI information control system, the meter data management system, and the customer web portal, have been installed.
- All the customer outreach and engagement meetings across the Companies' service territories have been completed.

For effective benefit realization, the AMI system, which is now substantially in place, needs to perform well. At the end of 2025, the AMI system is confirmed to be performing at an extremely high level:

- Data from 96 percent of the installed meters is being used to support customer bills, with read rates for those installed meters exceeding 99.75 percent.
- Remote service connect/disconnect operations are activated for 97 percent of the installed meters with connect/disconnect capability.
- The measure of customer awareness of the AMI system and its capabilities currently indicates 93 percent customer awareness, exceeding the AMI project target metric of 80 percent awareness.

[1] See the Appendix below for the listing of benefits that was provided in the 2021 AMI Benefit Implementation Plan. The listing includes the current expectation of realization of each of the benefits.
[2] Benefit Implementation Plan, page 37.

2026 projected progress towards benefit realization

There are some remaining dimensions of the AMI project which need to be completed to achieve full benefit realization. These remaining dimensions to be addressed in 2026 include:

- To reach the target count of 1,896,477 meters, another 48,217 meters need to be installed or moved to opt-out status. These incremental meters will be scheduled for the first few months of 2026.
- The communications network devices for the gas meters located in areas without electric meters (approximately 80,000 meters) need to be installed and this effort is scheduled for deployment throughout 2026.
- The integration of the AMI system with the Companies' outage management system is largely complete, but final steps of testing need to be completed early in 2026 before the expected benefits can be realized.
- The reengineering needed to link the detailed interval consumption data to the customer billing system needs to be completed to enable implementation of time-variable rates. This reengineering was planned for 2025 but fell behind schedule and is now scheduled to commence in 2026.
- The full implementation of a new ADMS system for the Companies needs to be completed so that the AMI-related incremental benefits for VVO optimization can be realized. This full implementation of ADMS will be in the planning stage in 2026 and with implementation still several years away.

Status of specific individual benefits realized achieved by the end of 2025

The Appendix of this report reviews the status of each of the 25 benefits identified in the 2021 Benefit Implementation Plan. In particular, the Appendix provides quantified estimates of the eight AMI benefits considered in the benefit-cost analysis, and quantified estimates of the three additional AMI impacts that factor into the utility cost and the ratepayer impact tests that were submitted as part of the Joint Proposal approval process. To develop the eleven quantified benefit estimates for 2025, the benefits for 2025 filed with the 2020 Joint Proposal were reviewed and adjusted to reflect changes that have occurred since the Joint Proposal was filed. The Appendix indicates that benefits of $43.7 million have been achieved for 2025, from the eight benefits used to develop the social benefit-cost test provided in the 2020 Joint Proposal. In addition, $11.6 million of impacts used to develop the utility cost and ratepayer impact tests have been realized in 2025.

Summary

In the first five years of the project (2021-2025), the Companies have substantially deployed their planned AMI system, validated the performance of that system, and demonstrated realization of significant actual benefits. In 2026, the Companies are positioned to significantly increase these benefits being realized from AMI. Importantly, the Companies expect to realize all 25 benefits identified in the Benefit Implementation Plan. Realization of some of the benefits requires initiatives and actions which will be ongoing in 2026 and subsequent years.

Appendix: Status of Benefits Identified in the 2021 AMI Benefit Implementation Plan

#	Benefit	Benefit Status	Benefit Category
1	Reduction in Customer Service Costs	Reducing customer service costs depends on avoiding customer site visits to collect consumption data, avoiding site visits to connect or disconnect electric service, and on collecting accurate customer usage data to reduce call center inquiries and bill rework. The AMI technology is working well to reduce these visits. Estimated realized benefits for 2025 are $18.1 million.	Eight Quantified Benefits Included in Societal BCA
2	Savings from Avoided Distribution Capital Expenditures	Avoiding distribution-capital expenditures depends on 1) avoidance of conventional meter purchases, 2) avoidance of line sensor expenditures, and 3) avoided expenditures for new dual-channel interval meters for DER installations. The Companies are avoiding these expenditures by eliminating the deployment of conventional meters, by planning to integrate AMI meter load and voltage information into overall distribution line monitoring to reduce the need for line sensors along the circuits, and by avoiding expenditures for new dual-channel interval meters for DER installations that are no longer needed because of the functionality of AMI meters. Estimated realized benefits for 2025 related to avoided distribution capital are $23.6 million, reflecting full realization of the avoided expenditures at DER installations, full realization of avoided expenditures for conventional meters, and two-thirds of the expected benefits from avoided sensor expenditures (Since the planning of the AMI system in 2019, the Companies have decided that conventional sensors are needed at the substation end of all distribution lines, and AMI meters cannot replace sensor needs at the substation end of the distribution lines, as was originally assumed.).	
3	Reduction in Customer Outage Costs from Shortened Outages	The capability to "ping" AMI meters to determine on/off status is being integrated into the Companies' Outage Management System, to help target restoration efforts and shorten outages, and by the first quarter of 2026, AMI power-off messaging will be integrated into the outage prediction system. Because the AMI messaging is not yet operational in the OMS system, the estimate of 2025 realized benefits is $0.0 million.	
4	Conservation Voltage Reduction Customer Savings	The Conservation Voltage Reduction system is not expected to begin operation until 2028 at the earliest, at which time benefits will be derived. Consequently, the estimate of 2025 realized benefits is $0.0 million.	

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5	Customer Conservation Savings Enabled by Bill Alerts	Customer bill alerts became a conservation feature available through the customer web portal in mid-year 2025. Consequently, the 2025 benefit estimate of $1.9 million is based on an adjustment of the benefit estimate in the 2020 Joint Proposal to reflect both the lower number of meters installed in 2025 relative to the original 2020 Joint Proposal and also the fact that the bill-alert feature was available to customers for only the last half of 2025.	
6	Reduced Field Costs for Power Restoration	The capability to "ping" AMI meters to determine on/off status is being integrated into the Companies' Outage Management System, to help target restoration efforts and shorten outages. This capability should be available by the first quarter of 2026. Because the AMI messaging is not yet operational in the OMS system, the estimate of 2025 realized benefits is $0.0 million.	
7	Customer Savings from Reduction of Peak Period Usage Enabled by Time Variable Pricing Rates	The capability to use AMI interval consumption information to support time variable rates will not be available until 2026. Consequently, the estimated realized benefit for time variable pricing is $0.0 million in 2025.	
8	Company Savings from Improved Cash Flow	Savings are still expected, but changes are not expected until the AMI meter deployment is complete, and billing issues associated with the transition to AMI metering have stabilized. Consequently, the estimated realized benefit from improved cash flow is $0.0 million in 2025.	
9	Reduced Loss of Revenue from Write-Offs	Reduced revenue loss is beginning to be realized, as the remote connection and disconnection of the AMI electric meters are being used to execute field orders in a timely way, which reduces the exposure for write-offs. For 2025 the realized level of reduced write-offs is estimated at $5.8 million, reflecting fewer electric meters deployed relative to what was projected in the 2020 Joint Proposal, and also the fact that the automated connect/reconnect capability of the AMI electric meters is not activated upon meter installation but only after the electric meters have been in place for several months to verify connectivity.	Three Quantified Impacts included in the Ratepayer Impact Test but not in the Societal Cost Test
10	Reduced Loss of Revenue from Theft and Unbilled Revenue	Savings are beginning to be realized, and multiple cases of tampering, meter bypass, meter removal, and meter swaps have been found. The 2025 benefit estimate for reduced loss of revenue is $3.2 million, which is the 2020 Joint Proposal estimate adjusted for a slower deployment of electric meters than was originally projected.	

#	Benefit	Benefit Status	Benefit Category
11	Reduced Loss of Revenue from Meter Inaccuracy	Savings are being realized, with electronic AMI meters now being used to replace older electromechanical meters. The 2025 benefit estimate for reduced meter inaccuracy is $2.7 million, which is the estimate included with the 2020 Joint Proposal adjusted downward for a slower deployment of electric meters than was originally projected.	

Appendix: Status of Benefits Identified in the 2021AMI Benefit Implementation Plan (Continued)

#	Benefit	Benefit Status	Benefit Category
12	Improved Operating Processes and Planning Capabilities for Distribution Network	AMI information is being used on an ad-hoc basis to support operations and planning, and integration of AMI data into PI Historian to support full use of the AMI data: that integration will take place over the course of the next several years.	Six Unquantified Benefits Identified in Commission Order
13	Improved Capital Planning Capability for Companies and DER Providers	AMI information is being used on an ad-hoc basis to support capital planning, and integration of AMI data into PI Historian will support full use of the AMI data: that integration will take place over the course of the next several years.	
14	Benefits from Advanced Street Lighting	Benefits will be pursued when the AMI deployment is fully completed.	
15	Synergies from Coordination with Affiliates	Savings related to developing contracts with suppliers already have been realized. In addition, CMP experience with the integration of AMI data into the outage management systems has helped lower the costs of that integration in New York. More savings are expected as affiliate experience with AMI in Connecticut and Maine is used to refine operating processes in New York.	
16	Benefits from Grid Edge Computing Capabilities	Grid Edge Computing is operational, and the first application is being used to align electric customers to the correct distribution transformer and service phase. This application, "Locational Awareness," is helping to support the Companies' Grid Model Enhancement Project (GMEP).	
17	Benefits from New Revenue Opportunities	Benefits will be pursued when the AMI deployment is completed	
18	Safety Improvement from AMI electric meter temperature sensing, voltage monitoring, and micro-arcing detection, and from smart gas meters	While smart gas meters have not been deployed, AMI electric meter notifications for safety issues are monitored and actions are being taken to address issues where they are found.	Eight Unquantified Benefits Identified by the Companies or by DPS Staff after filing the Joint Proposal
19	Cost savings from equipment interoperability	Savings are being realized through multiple suppliers of network device mounting equipment, and meter installation accessories.	
20	Reduced Cost of Inspections for Gas Leaks	Inspections for gas leaks are completed with all AMI indoor installations, resulting in savings as compared to conducting the tests on a stand-alone basis. For example, the major outside installation vendor for the project charges $8.46 for inside leak inspections, which avoids the cost of an internal inspection, which has averaged $59.27 in recent years. In 2025 through November, this outside installation vendor completed 26,201 inside leak inspections. The resultant savings in 2025 from using the outside installation vendor to complete the inspections as part of a scheduled install instead of requiring a dedicated trip from an employee of the Companies is $1.3 million.	

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21	Customer Conservation Stimulated by Web Portal	The Web Portal is now available to customers and the detailed consumption descriptions provided support customer efforts to conserve.	
22	Improved Load Settlement Process	Work on exploiting AMI data for load settlement will begin when the AMI field deployment is complete.	
23	Improved Load Profiles for Rate Design and Cost Allocation	Savings are still expected, with work expected to begin when the AMI field deployment is complete.	
24	Improved Information for IEDR	AMI data has been supporting IEDR since November 2024.	
25	Improved DER Hosting Capability	Savings are still expected, as planning processes incorporate the use of AMI information.	