



Advanced Metering Infrastructure ITN Update

Item #180361
September 13, 2018

AMI History

- 2014 – GRU rolled out a small pilot for AMI focusing on the electric side and distribution automation.
- The pilot program was rolled out strategically over a four-year period and tested meter to cash integrations and various backhaul solutions.
- 2017 - This pilot proved successful and gave the utility confidence, and a good look inside what it would take to not only deploy, but also maximize the potential benefits of an AMI system.
- 2018 - Conducted a business case, gap analysis, assessment, and feasibility study for the AMI initiative.
- GRU, along with our AMI management consultants, have determined that three separate Invitations to negotiate (ITN) would offer the most benefits to the utility.
 - Advanced Metering Infrastructure/Meter Data Management System (AMI/MDM)
 - Installation
 - Integration

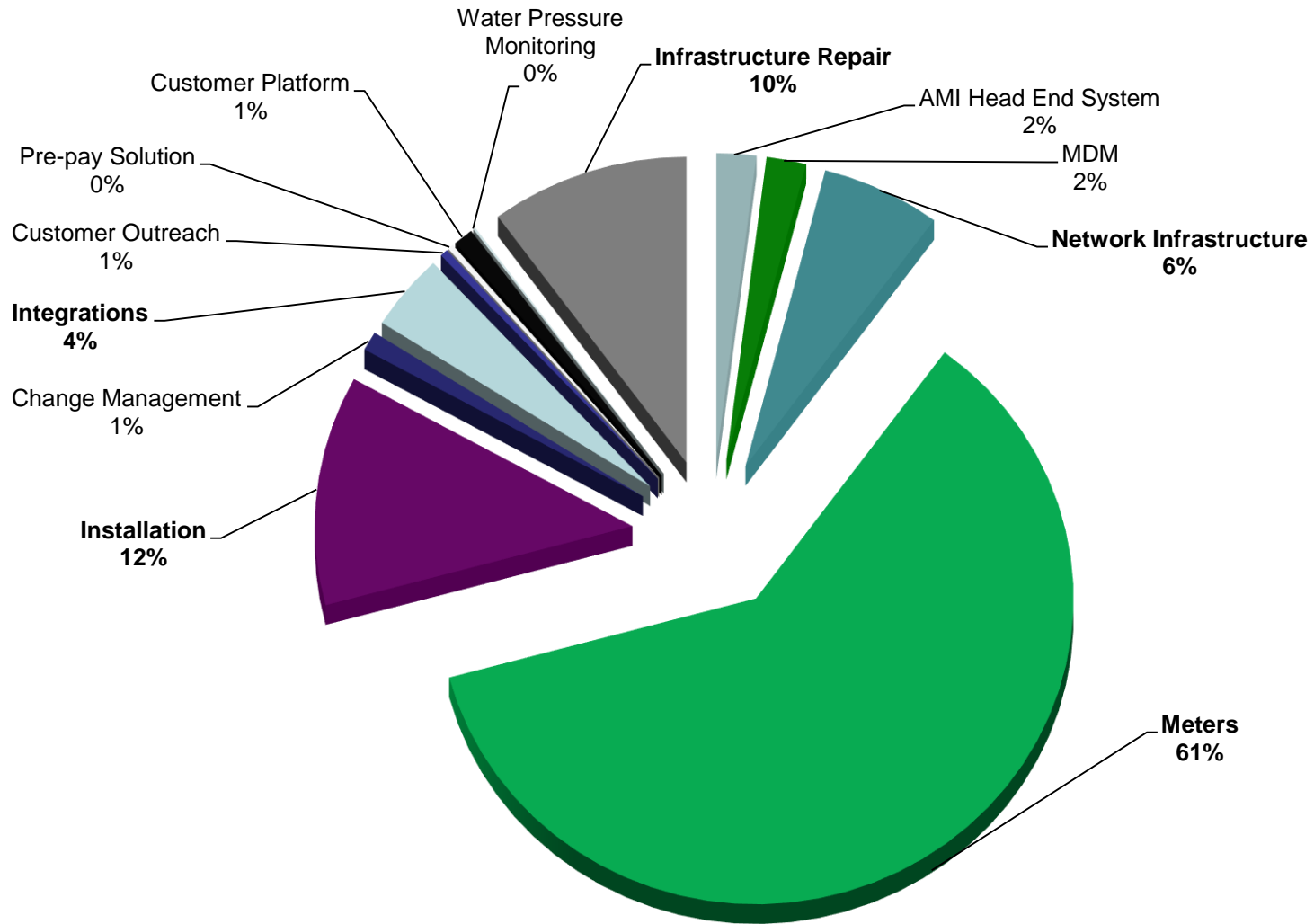
AMI Today

- The AMI/MDM ITN and Installation ITN has been drafted and distributed to potential suppliers/vendors.
 - AMI/MDM Release – 06/08/2018
(Responses to this ITN were due on 8/17/2018)
 - Installation Release – 08/24/2018
(Responses to this ITN are due on 10/9/2018)
- Responses for the AMI/ MDM ITN have been received and the evaluation process has started.
- The AMI/MDM ITN received sufficient responses from the following six vendors:
 - Itron
 - Landis+Gyr
 - Sensus
 - Honeywell
 - Omnectric (MDM Solution)
 - Smart Energy Water (Customer Portal)
- The Integration ITN has been deferred until a resolution with the ERP solution has been made.
- The responses to the respective ITN's will give the utility more insight into potential vendors and solutions that could be provided for the AMI initiative.

AMI Project Schedule

	2018				2019				2020		2021		2022		2022	
	December				January				January	December	January	December	January	December	January	December
PHASE ONE																
Vendor Selection	AMI / MDM ITN Released		AMI / MDM ITN Evaluations		AMI / MDM Vendor Negotiations											
	Installation ITN Released		Installation ITN Evaluations		Installation Vendor Negotiations											
	Integration ITN Release TBD				Integration Vendor Negotiations											
	CCS ITN Awarded				EAM ITN Awarded											
PHASE TWO																
Meter Deployment and Integration Planning																
	In-house Strategic Deployment															
	Communication Canopy Build															
PHASE THREE																
	AMI Meter Deployment															
Project Launch of Execution																
	Full Deployment Begins															
	Quality Assurance															
PHASE FOUR																
	CCS Planning & Implementation															
Project Close																
	CCS Post Go-Live Stabilization															
EAM Post Go-Live Stabilization																
Project Closing																

AMI Cost Breakdown



* Costs are estimates based on business cases. Costs are subject to change.

Projected Costs

AMI Components

Capital Cost

Meters (Electric, Water, Gas)	\$32,000,000
Communication Canopy	\$3,000,000
AMI Head-End System	\$1,000,000
Meter Data Management System	\$1,000,000
Mass Meter Install Vendor	\$6,000,000
Business Process / Change Management	\$500,000
Various Integrations	\$500,000 - \$2,000,000
Customer Outreach	\$200,000
Pre-pay Solution	\$150,000
Customer Engagement Platform	\$500,000
Water Pressure Monitoring System	\$60,000
Infrastructure Repair	<u>\$5,000,000</u>
Total	\$51,410,000

* Costs are estimates based on business cases. Costs are subject to change.

Rate Impact

Benefit	What's Needed?	Cost	Annual Capital Cost	Benefit	Rate Pressure
Meter Accuracy Benefit	Meters & Deployment Contractors	\$37 M	\$2.5 M	\$3.5 M	(-) \$1 M
Annual Meter Replacement Cost Benefit	Meters & Deployment Contractors	-	-	\$2 M	(-) \$2 M
Remaining Benefits From Business Cases	Remaining AMI Components	\$14 M	\$1 M	\$5.4 M	(-) \$4.4 M
	Totals	\$51 M	\$3.45 M	\$10.9 M	(-) \$7.4 M

- By deploying just the meters, benefits start accruing day one, resulting in a negative rate impact.

Questions?