

Advanced Metering Infrastructure (AMI) Deployment Strategy

Natural Resources and Culture Committee
March 21, 2012

Review of Past Efforts

- Hired Cognyst Consulting (FY06)
- Issued RFP for system/installer (FY08)
- Selected Datamatic (FY09)
 - 10% deployment
- New direction from new City Attorney (FY09)
 - Public works requirements on installation
 - Department canceled process

Review of Past Efforts (continued)

- SAP-CCS implementation (FY10-12)
 - Included evaluation and of CCS solution for AMI integration
- Department evaluates new technology and project scope (FY10-11)
- Department issues RFP for AMI consultant (FY11)
- Department selects SAIC, begins approval process (FY11)
- Approval process for SAIC contract completed (FY12)

Clear Objectives and Guiding Principals Ensure Project Success



Build Public Support

Minimize Capital Outlay

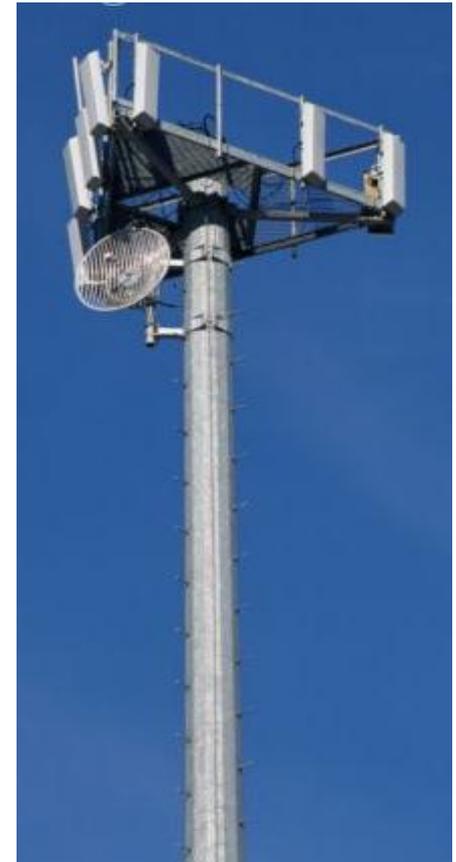
Prioritize efficiency, effectiveness and cost reduction

Prove Benefits for San Diego

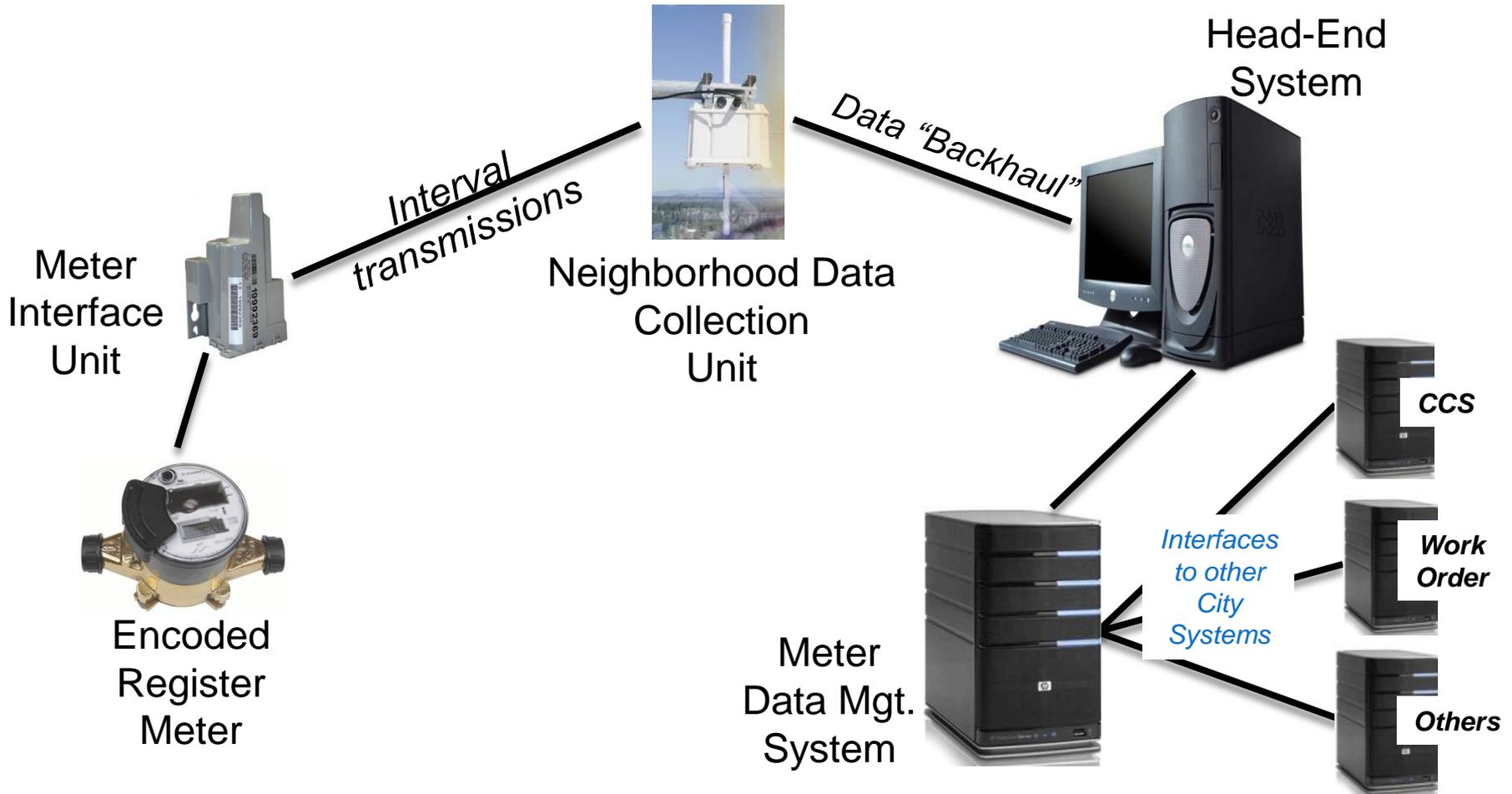
Set Stage for any Future Deployment

Scope of Project

- Fixed or Mobile Network
 - Mobile option can migrate to fixed
- Customers from all Council Districts included
- 10,247 meters included:
 - 9747 monthly read meters
 - One bi-monthly read route
- Future meter installations can be AMI



AMI Gathers Detailed Consumption Data



Fiscal Considerations

- Project Costs: \$4,857,688
- Amount Financed: \$5,076,688
 - 4.5% contingency
- Annual Master Lease Agreement Payments

FY 2014	\$ 689,256
FY 2015-19	\$ 822,614
FY 2020	\$ 678,022
<u>FY 2021</u>	<u>\$ 133,356</u>
Total:	\$ 5,613,704

Benefits of AMI

- **Cost Savings**
 - Automation/efficiencies in Meter Reading and Customer Service
- **Non-revenue Water**
 - Under-registration from meter replacement and early detection of failing meters
 - Unauthorized use and theft prevention
 - Potential Leak detection
- **Customer Service**
- **Conservation**
- **Net Total Benefits -\$13.1 Million over 15 Years**
 - \$16 million -\$2.9 million (operating expenses)

The Balanced Approach

- Avoids impact on rates
- Develop network/procedures on a manageable scale
- Prove technology and benefits with a modest investment
- Target largest users for conservation data analysis
- Best combination of cost control and benefits
- Realized savings benefit all customer classes
- Set the stage for the future

Selection & Implementation Approach



- Goods and Services Contract
- Broad Request for Proposal (RFP) language supports widest variety of approaches, solutions and options for vendor proposals.
- Installation of meters by City staff
- Installation of registers for retrofits and AMI hardware by vendor
- Best value for the City

Questions?

