30.06.25

[redacted]
a/g Director, Networks and Reliability Compliance
Australian Energy Regulator
GPO Box 520
Melbourne, VIC , 3001

Via email: [redacted]

Dear [redacted],

Legacy meter replacement plan

On 28 November 2024, the Australian Energy Market Commission (**AEMC**) published final rules amending the National Electricity Rules (**NER**) and National Energy Retail Rules (**NERR**) for the accelerating smart meter deployment rule change (smart meter rule change).

The smart meter rule change has introduced a requirement that local network service providers develop and submit to the Australian Energy Regulator (**AER**) for approval, a legacy meter replacement plan (**LMRP**). The LMRP must provide for the replacement of all type 5 and type 6 metering installations in operation, other than type 5 metering installations capable of remote acquisition at connection points on the distribution network. The smart meter rule change requires all legacy meters to be replaced by 30 November 2030.

Following initial consultation in February 2025, and no later than 30 June 2025, a Local Network Service Provider (LNSP) must provide its draft LMRP to the AER.

It was not expected that Victoria would be included in the rule change given we completed the smart meter rollout across the state in 2013, and we only have a small number of customers (0.6%) remaining that typically have refused meter exchanges or present site-specific challenges that have prevented earlier meter replacement. Despite this, and given no Victorian exemption has been made, we have developed the below pragmatic plan that intends to replace remaining meters where possible and in a way that reduces the impact to customers, retailers and is in line with Victorian Government expectations

If you have any questions or feedback on our draft LMRP, please email [redacted] or contact [redacted], Compliance Analyst, on [redacted].

Kind regards,

[redacted]

Head of Regulatory Policy and Compliance

CitiPower, Powercor and United Energy

Background

In 2006, the Victorian Government mandated the rollout of advanced metering infrastructure (AMI) as a strategic initiative to modernise electricity metering across the State. The aim of this reform was to replace legacy metering technologies with smart meters, capable of remote communication, thereby supporting greater energy efficiency, enhanced billing accuracy, and improved consumer access to real-time consumption data.

Under the AMI program, 2.9 million new remotely read interval meters were installed across Victoria by the end of 2013. These meters enable half-hourly consumption measurement and recording, significantly improving upon the monthly or quarterly manual meter reading currently available by legacy type 5 and type 6 meters.

The minimum functionality requirements of AMI meters have been prescribed by the Victorian Government in the Minimum AMI State-wide Functionality Specification (Victoria)[1]. The Victorian Government's overall objective in mandating the AMI rollout is to allow Victorian consumers to better manage their energy usage by providing improved price signals, and more detailed time of use consumption information.

The AEMC's current Accelerated Smart Meter Deployment Rule change mirrors the approach already taken by the Victorian Government. In this way, the Victorian experience provides a useful precedent for the reforms now being considered at a national level.

LMRP objective and principles

The AER will consider whether the LMRP provided by a distribution network service provider (DNSP) has met the LMRP Objective[2] and LMRP Principles[3] when deciding whether to approve a LMRP.

The LMRP Objective states that in consultation with retailers, metering coordinators (MC's), and other affected stakeholders, a DNSP must develop and submit a LMRP to the AER for approval by June 30, 2025. The LMRP must detail the DNSP's plan to replace all existing legacy meters with AMI meters in a timely, cost-effective, fair, and safe way, between 1 December 2025 to 30 November 2030.

The LMRP Principles state that LMRP's must have regard to the following:

1. approximately 15-25 per cent of legacy meters should be planned for replacement in each interim period

2. the overall efficiency of the LMRP, including costs and potential cost savings for affected market participants

3. the impact of LMRP's on retailers and other affected stakeholders

4. appropriate and efficient workforce planning, including in regional areas.

[1] Minimum AMI Functionality Specification (Victoria) Release 1.1.

[2] National Electricity Rules, clause 11.177.1.

[3] National Electricity Rules, clause 11.177.2(c).

Legacy meter replacement plan

1.1. Current status

United Energy has successfully replaced more than 99% of legacy meters across its distribution network, however, 100% compliance with replacement objectives was challenging given customer refusals, complex connection points that did not feasibly allow for an exchange of meter and site challenges where the cost of change was deemed excessive for customers. These sites have been subject to repeated engagement and replacement attempts by the network. Given the very low volume of remaining legacy meters, and the extensive work already undertaken, United Energy considers the LMRP effectively a completed program.

Table 1 summarises the number of type 5 and type 6 metering installations in the United Energy network area by reason.

Table 1: Remaining legacy meter sites by reason

Reason	Remaining sites
Customer defect	33
De-energised	0
Access issues	222
Insufficient space on meter board	0
Customer refusal	1,049
Other	252

Note: The count of the sites represents national meter identifiers (NMI's) and some NMI's may have more than 1 legacy meter at the site.

1.2.Proposed approach for LMRP in Victoria

To responsibly finalise the LMRP in line with AER objectives and principles, United Energy proposes a structured approach that prioritises safe, coordinated, and transparent delivery of remaining meter replacements, while minimising cost and duplication of effort. This includes:

- concentrating all LMRP volumes into year 5 for AER approval and reporting, avoiding annual compliance complexities through MSATS
- executing replacement and abolishment activities progressively across years 1 to 4 as they present themselves, with those remaining volumes to be completed in year 5 or otherwise attempted and documented as to the reason why they can still not be completed.
- align the planning and execution of legacy meter replacements with other meter or equipment upgrade programs that have already been funded through the regulatory final determination.

1.3. Replacement activities

United Energy's LMRP has been structured to address all remaining meters in a manner that aligns with AER guidance and reflects a measured, systematic approach. A comprehensive review of remaining type 5 and type 6 sites has already been undertaken, using internal data sources to validate key details such as the National

Meter Identifier (NMI), address, customer engagement history, and any available field visit records. This information has helped inform the development of appropriate replacement strategies as outlined below and has provided insight into site-specific challenges encountered to date.

Customer refusal

United Energy has sent each refusal customer a letter with the intention of promoting the benefits of smart meters and encouraging the customer to no longer refuse a smart meter. We will also attempt to replace the meter after a customer moves out.

Access issue

Access issues include gate locked, meter board locked and not able to find the meter. We have attempted to contact each customer to discuss how we can get access to their meter.

Customer defect

There is a defect on the customer side which needs fixing before we can replace the meter. We have attempted to contact each customer to try and develop a remedy action plan with the customer, which may involve us contributing to their costs.

Meter will not fit

United Energy conduct field visits to replace the meter board and then replace the meter where possible.

De-energised

The meter will be replaced when it is re-energised. The remaining de-energised meters will be replaced by 30 November 2030.

1.4. Timing of legacy meter replacements

To streamline reporting and ensure maximum flexibility during delivery, United Energy proposes to allocate the entire remaining LMRP volume to year 5 of the regulatory reporting period. This approach does not imply that all replacement activity will occur in that year. Instead, it recognises that actual works will be undertaken progressively across years 1 to 4, with volumes dynamically reducing from the year 5 allocation as work is completed.

Table 2: Proposed timing of legacy meter replacements

Period	Proportion replaced
1-Dec-25 to 30-Nov-26	0%
1-Dec-26 to 30-Nov-27	0%
1-Dec-27 to 30-Nov-28	0%
1-Dec-28 to 30-Nov-29	0%

1-Dec-29 to 30-Nov-30	100%

This structure reflects both a practical delivery model and regulatory efficiency. By concentrating volumes into year 5, it avoids the need to provide annual percentage breakdowns and reduces the administrative complexity of reconciling in-year progress through MSATS. It also aligns with the AER's principle of proportionality, as the remaining population of legacy meters is small, and many sites involve complex or exceptional circumstances.

Importantly, this does not delay or defer replacement works—in fact, it facilitates their timely execution by providing project teams with scheduling flexibility and supports more efficient coordination with regulatory final determination funded proactive replacement programs.

All meter replacements undertaken during the LMRP Period will be subject to an assessment to ensure they are **timely, cost-effective, fair, and safe,** to determine if replacement meets the LMRP Objective and is aligned with customer needs. If there are cases where the LMRP Objective is not met, meters will be removed from the program.

1.5. Experiences since rollout

Since our initial AMI rollout was completed in 2014, United Energy has undertaken several initiatives to replace remaining legacy meters, with varying levels of customer engagement and success.

In 2015, we proactively contacted customers who missed the initial AMI rollout due to refusals or technical site constraints (e.g., customer defects). This effort had limited success.

Since then, we have continued replacing legacy meters opportunistically and in response to customer requests. These replacements have been done at no cost to customers.

From 2018 to 2023 we ran a dedicated legacy meter replacement program, successfully replacing over 20,000 meters. This project included sending proactive customer communications outlining the benefits of smart meters, resulting in significant uptake. Currently only 1,743 customers remain, primarily those with radiofrequency (RF) concerns or customers who have exercised their right to opt out under the AMI Order.

Table 3 summarises our legacy meter volumes at the end of the initial rollout in 2014 compared to current figures.

Table 3: Legacy volumes since rollout

Network	End of rollout numbers (2014)	Current numbers (2025)
United Energy	26,735	1,556

Efforts to achieve complete smart meter replacement in Victoria have consistently been challenged by a small number of customers who continue to oppose meter upgrades, primarily due to concerns about RF emissions or broader objections to smart meters. These cases often involve prolonged engagement cycles, multiple field visits, and refusal to allow safe access — resulting in disproportionate resource use for limited or no progress.

In several instances, customers have actively obstructed access to the meter, presented aggressive behaviour, or imposed conditions that compromise the safety of field staff. These situations create unacceptable safety

risks and are inconsistent with the LMRP Objective to pursue legacy meter replacement where it is practicable and reasonable to do so. Additional replacement efforts in these cases would not represent an efficient use of resources and would not be timely given the minimal likelihood of success.

This experience reinforces the view that pursuing further activities to forcibly replace meters for remaining resistant customers would not be **timely, cost-effective, fair and safe**, consistent with the LMRP Objective. The rule change does not account for individual customer objections or the potential cost impacts experienced by customers as a result of meter replacement. Furthermore, the rule change does not provide any mechanism for customers to object or seek relief on this basis.

1.6. Engagement with retailers

Retailer engagement under this plan reflects a pragmatic and proven approach, aligned with AER principles and grounded in United Energy's operational experience as both the MC and the responsible party for safe and efficient field execution. It is significantly more efficient for the DNSP to manage all aspects of planning, customer communications, and meter replacement works, rather than relying on retailer-initiated processes.

This approach is informed by recent legacy meter replacement projects delivered by United Energy, where it successfully managed end-to-end communications and logistics. Retailers are kept informed through the LMRP consultation process and the associated AER approval framework, ensuring visibility without duplicating responsibilities. At the start of each year, the legacy meter replacement project team initiates a business-to-business customer details request (B2B CDR) to update retailer-held customer contact information, which supports accurate and timely communication.

In addition, specific retailers are notified of the NMIs affected by the upcoming annual works program and are provided with the approved customer communication materials and key project contact details. This enables retailers to stay informed of activity impacting their customers, while maintaining clear separation of responsibilities. Retailers are requested to redirect any customer enquiries about metering works directly to the LMR project team, who are best placed to respond and coordinate outcomes. United Energy's internal call centre is similarly briefed to ensure consistency of messaging and handling.

Should a retailer wish to initiate a meter upgrade at a customer site already scheduled within the legacy meter replacement project, the retailer is asked not to submit a standard service order. Instead, the LMR project team should be contacted directly to manage the replacement through the appropriate internal pathways. This avoids allocation of complex legacy meter replacement work to metering and services field resources that may not have the training, equipment, or project context required for safe and compliant delivery.

This direct, centralised model of communication and execution enhances efficiency, minimises confusion, and ensures that technical complexity and customer sensitivity are properly managed by those with the appropriate capability and oversight. United Energy is committed to ongoing, transparent annual reporting to the AER, with progress clearly visible through MSATS and internal tracking systems.

This LMRP directly responds to feedback received from retailers following distribution of the draft LMRP in February 2025. Retailers highlighted the need for greater clarity around roles and responsibilities in the meter replacement process. In response, United Energy has clarified a process that will be distributor led end-to-end regarding customer engagement and meter replacement with retailers annually kept informed about meter status of their customers. By clearly outlining the DNSP-led approach to customer engagement, project coordination, and communication responsibilities, the plan provides the level of clarity and accountability retailers were seeking. This demonstrates United Energy's commitment to collaboration and transparency while reinforcing the efficiency of a DNSP-managed delivery model.

Email elaborating on the engagement of CitiPower, Powercor and United Energy (collectively, CPU) with Affected Retailers and the Victorian Government

I can confirm that the affected retailers received our draft Legacy Meter Replacement Plan (LMRP), which detailed the draft scheduled profile for the proposed plan.

CPU engaged with the Victorian government in direct meetings and DNSP working groups firstly to understand the implications of the rule change specific to Victoria, where there are jurisdictional differences for the role of the metering co-ordination and metering provider. In addition, we discussed the work achieved to date in already completing 99%-meter conversions and noted the difficulty in achieving 100% target. We discussed that there is difficulty in cost, practicalities, and safety concerns of the remaining sites.

The Victorian government agreed that the replacement program is finalised, this was also concluded in written communication to DNSP's where DEECA stated that "Given the successful roll out of smart meters in Victoria, the department considers that there is little value for DNSPs and retailers pursuing further communications with remaining households to achieve a complete replacement of all legacy meters".

These concerns from the Victorian government were stated within our plan, that any of the remaining sites would only be replaced where the LMRP Objective of 'installations in a **timely, cost effective, fair and safe way'** and the LMRP Principles of overall efficiency including costs and potential cost savings for affected market participants, was aligned.