Final decision

CitiPower, Powercor and United Energy electricity distribution determinations
1 July 2026 – 30 June 2031

Attachment 15 – Metering services

April 2026

AUSTRALIAN ENERGY REGULATOR

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15 Metering services

This attachment sets out our final decisions for the 2026–31 regulatory control period (period) for metering services provided by CitiPower, Powercor and United Energy (CPU). These are alternative control services and additional to the other alternative control services we regulate (ancillary network services and public lighting services which are set out in Attachment 14). We are responsible for setting revenues for these services as they operate under a revenue cap form of control, consistent with our final position in our Framework & Approach paper,[1] and as set out in Attachment 11. We are also responsible for setting price caps for metering exit fees.[2]

Metering services include maintenance, reading, data services, and the recovery of capital expenditure (capex) related to metering assets. Unlike other jurisdictions in the National Electricity Market (NEM), Victorian distributors are the monopoly providers of most metering services to small customers. In the rest of the NEM metering services are contestable, and distributors are unable to install new meters.

Metering assets are used to measure electrical energy flows at a point in the network to record consumption for the purposes of billing. Not all customers have the same type of meter. There are different types of meters which each measure electricity usage in different ways:[3]

- Type 1 to 4 meters have a remote communication ability. We refer to these as smart meters.
- Type 5 meters are interval meters and Type 6 meters are accumulation meters. We refer to these as legacy meters, which are being progressively replaced by smart meters.
- Type 7 metering services are unmetered connections with a predictable energy consumption pattern (for example, public lighting connections). Type 7 metering services are fee-based ancillary network services, which are discussed in Attachment 14.
- Type 8 and 8A metering services for secondary settlement points and type 9 metering services for public lighting and other street furniture (e.g., kerbside EV charging) have recently been introduced through the AEMC's "Unlocking CER benefits through flexible trading" rule change.[4] Type 9 metering services for public lighting are classified as alternative control – public lighting services,[5] which is discussed in Attachment 14.

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1 AER, *Final Framework and Approach – Victorian electricity distribution determinations 2026–31,* July 2024, pp. 12–13.

2 Metering exit fees recover the written down value, as well as the efficient costs of removing and disposing, of meters. This is discussed in Appendix A, section A.8.

3 AER, *Final Framework and Approach – Victorian electricity distribution determinations 2026–31*, July 2024, pp. 32–33.

4 AEMC, *National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024*, August 2024.

5 This takes into account that Victorian distributors may be required to provide Type 9 metering services upon request by a public lighting customer in relation to a public lighting asset, pursuant to an Order made under sections 15A and 46D of the Victorian *Electricity Industry Act 2000* as in force from time to time. See Attachment 11 for further detail.

More information in relation to the classification of metering services, including the new Type 9 metering services, can be found in Attachment 11.

Distributors also provide some non-routine metering services which are charged to customers when requested, such as meter disconnection. These non-routine metering services are fee-based ancillary network services, discussed in Attachment 14.

In Victoria, legislation redefines most smart meters as type 5 and 6 meters for the purpose of distributors' provision of metering services.[6] This means that we consider expenditure related to smart meters as a part of regulated metering services (despite these services being classified as unregulated services).

In this attachment, we:

- Set out our final decisions (section 15.1), which draw on the reasons in Appendix A.
- Summarise CPU's revised proposals (section 15.2).
- Set out the reasons for our final decisions (Appendix A).

15.1 Final decisions

Our final decisions are to not accept CPU's revised metering proposals for the 2026–31 period as submitted. Our final decisions are to:

- Substitute our total annual revenue requirements (ARR) and to apply our smoothing profiles. The smoothed ARRs reflect mechanical updates to forecast inflation and inputs related to the 2022 rate of return instrument and weighted average cost of capital (WACC), as well as our substituted:
  - Forecast metering capex, to apply mechanical updates to forecast inflation and labour cost escalation.
  - Forecast metering operating expenditure (opex**)** to apply mechanical updates to forecast inflation and labour cost escalation.
- Substitute our metering exit fee price caps to apply mechanical updates to forecast inflation and inputs related to the 2022 rate of return instrument and WACC, as well as our substituted capex and opex forecasts.

In terms of the smoothed ARR, our final decisions are:

- 0.9% higher than what CitiPower included in its revised proposal
- 1.0% higher than what Powercor included in its revised proposal
- 0.9% higher than what United Energy included in its revised proposal.

The reasons for our final decisions and each of the above positions are provided at Appendix A.

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6 Victorian Government, *Order-In-Council, No. S 346*, October 2017, cl. 2(b); Department of Primary Industries, *Minimum AMI Functionality Specification (Victoria) v1.2*, September 2013; Department of Primary Industries, *Minimum AMI Service Levels Specification (Victoria) v1.1*, September 2008.

15.2 Overview of CPU's revised proposals

CPU mostly accepted our draft decisions, applying updates to base year opex, labour rates for meter replacement and historical capex.[7] CPU noted in its revised proposals the expectation that we would update forecast inflation and labour cost escalation in our final decision.[8]

15.2.1 Metering revenue

CPU's revised proposals were for total ARRs for metering services for the 2026–31 period of:

- $84.9 million ($2025–26, smoothed) for CitiPower.[9] This is a decrease of $5.4 million ($2025–26) or 6.0% from our draft decision total ARR of $90.3 million ($2025–26, smoothed) for this period.[10]
- $278.5 million ($2025–26, smoothed) for Powercor.[11] This is a decrease of $1.9 million ($2025–26) or 0.7% from our draft decision total ARR of $280.4 million ($2025–26, smoothed) for this period.[12]
- $162.4 million ($2025–26, smoothed) for United Energy.[13] This is an increase of $1.1 million ($2025–26, smoothed) or 0.7% from our draft decision total ARR of $161.3 million ($2025–26, smoothed) for this period.[14]

To determine its proposed revenue requirements, CPU used the AER's standardised metering models which apply the building block approach to determine allowable revenue. CPU's revised proposal ARRs, and the building blocks that comprise the ARRs, are set out in Table 15-1, Table 15-2 and Table 15-3.

We provide the building block and ARR data in these tables as real $2025–26 to allow for better comparison to the 2021–26 period. We generally provide this data in $nominal as we consider it is a better representation of revenues that will be recovered from customers. Data in Appendix A is presented in $nominal, and proposal data between these table and the appendix tables will differ.

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7 CitiPower, *CitiPower Revised Proposal 2026–31 – Revenue and expenditure forecasts*, December 2025, p. 63; Powercor, *Powercor Revised Proposal 2026–31 – Revenue and expenditure forecasts*, December 2025, p. 76; United Energy, *United Energy Revised Proposal 2026–31 – Revenue and expenditure forecasts*, December 2025, p. 59.

8 CitiPower, *CitiPower Revised Proposal 2026–31 – Revenue and expenditure forecasts*, December 2025, p. 64; Powercor, *Powercor Revised Proposal 2026–31 – Revenue and expenditure forecasts*, December 2025, p. 77; United Energy, *United Energy Revised Proposal 2026–31 – Revenue and expenditure forecasts*, December 2025, p. 59.

9 CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025.

10 AER, *Metering PTRM – Draft decision – CitiPower distribution determination 2026–31*, September 2025.

11 Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025.

12 AER, *Metering PTRM – Draft decision – Powercor distribution determination 2026–31*, September 2025.

13 United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025.

14 AER, *Metering PTRM – Draft decision – United Energy distribution determination 2026–31*, September 2025.

Table 15-1 Revised proposal building blocks and ARR – CitiPower ($million, 2025–26)

Category	2021–26 final decision	2026–31 proposal	2026–31 draft decision	2026–31 revised proposal	Change from draft decision
Return on capital	16.7	22.3	20.0	19.6	-2.1%
Return of capital (regulatory depreciation)	62.9	43.2	39.1	39.0	-0.1%
Operating expenditure	36.5	30.7	30.3	25.3	-16.4%
Net tax allowance	6.2	1.7	1.6	1.6	1.3%
ARR (unsmoothed)	**122.3**	**97.8**	**91.0**	**85.6**	**-5.9%**
ARR (smoothed)	**122.2**	**97.2**	**90.3**	**84.9**	**-6.0%**

Source: AER, *Final Decision – CitiPower distribution determination – 2021–26 – ACS – Metering – Post-tax revenue model & Exit Fees*, April 2021; CitiPower, *CP MOD 11.01 – Metering PTRM*, January 2025; AER, *Metering PTRM – Draft decision – CitiPower distribution determination 2026–31*, September 2025; CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025.

Table 15-2 Revised proposal building blocks and ARR – Powercor ($million, 2025–26)

Category	2021–26 final decision	2026–31 proposal	2026–31 draft decision	2026–31 revised proposal	Change from draft decision
Return on capital	50.1	81.3	71.7	71.5	-0.4%
Return of capital (regulatory depreciation)	180.4	149.2	135.7	133.9	-1.3%
Operating expenditure	74.7	71.9	70.9	71.2	0.3%
Net tax allowance	16.2	3.6	4.6	4.4	-3.0%
ARR (unsmoothed)	**321.4**	**306.0**	**282.9**	**281.0**	**-0.7%**
ARR (smoothed)	**321.2**	**303.9**	**280.4**	**278.5**	**-0.7%**

Source: AER, *Final Decision – Powercor distribution determination – 2021–26 – ACS – Metering – Post-tax revenue model and Exit Fees*, April 2021; Powercor, *PAL MOD 12.01 – Metering PTRM*, January 2025; AER, *Metering PTRM – Draft decision – Powercor distribution determination 2026–31*, September 2025; Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025.

Table 15-3 Revised proposal building blocks and ARR – United Energy ($million, 2025–26)

Category	2021–26 final decision	2026–31 proposal	2026–31 draft decision	2026–31 revised proposal	Change from draft decision
Return on capital	29.3	47.5	40.0	39.8	-0.6%
Return of capital (regulatory depreciation)	100.2	87.2	80.2	81.0	1.1%
Operating expenditure	41.2	41.9	40.2	40.5	0.8%
Net tax allowance	8.5	2.0	2.5	2.6	5.0%
ARR (unsmoothed)	179.2	178.5	162.8	163.9	0.7%
ARR (smoothed)	**179.1**	**177.2**	**161.3**	**162.4**	**0.7%**

Source: AER, *Final Decision – United Energy distribution determination – 2021–26 – ACS – Metering – Post-tax revenue model and exit fees*, April 2021; United Energy, *UE MOD 12.01 – Metering PTRM*, January 2025; AER, *Metering PTRM – Draft decision – United Energy distribution determination 2026–31*, September 2025; United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025.

15.2.2 Capital expenditure

CPU's revised proposals were for total capex for metering services in the 2026–31 period of:

- $107.2 million ($2025–26) for CitiPower.[15] This is an increase of $0.01 million ($2025–26) or 0.01% from our draft decision total capex of $107.2 million.[16]
- $362.8 million ($2025–26) for Powercor.[17] This is an increase of $0.004 million ($2025–26) or 0.001% from our draft decision total capex of $362.8 million.[18]
- $226.5 million ($2025–26) for United Energy.[19] This is an increase of $0.01 million ($2025–26) or 0.01% from our draft decision total capex of $226.5 million.[20]

Consistent with CPU's initial proposals, and our draft decisions, this revised proposal capex included expenditure for installations of new meters for customer growth, replacement of meters on fault or failure, installation and replacement of communication equipment to support remote connection to meters, and IT capability to manage metering data.

15 CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025.

16 AER, *Metering PTRM – Draft decision – CitiPower distribution determination 2026–31*, September 2025.

17 Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025.

18 AER, *Metering PTRM – Draft decision – Powercor distribution determination 2026–31*, September 2025.

19 United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025.

20 AER, *Metering PTRM – Draft decision – United Energy distribution determination 2026–31*, September 2025.

In addition to these routine expenditures, CPU's revised proposals also included capex to proactively replace meters that have reached end of life and are at an increased risk of failure, being:

- $58.3 million ($2025–26) for CitiPower.[21]
- $180.1 million ($2025–26) for Powercor.[22]
- $121.0 million ($2025–26) for United Energy.[23]

This is also consistent with the initial proposals but is a material and new capex category compared to previous regulatory periods, reflecting that this is the first time smart meters have reached their end of life and will need replacement.

The proposed total capex reflected that CPU accepted the positions in our draft decisions, with updates only for labour rates for reactive meter replacements. CPU's total revised proposal capex for the 2026–31 period is set out in Table 15-4, Table 15-5 and Table 15-6.

Table 15-4 Revised proposal capex – CitiPower ($million, 2025–26)

Category	2021–26 final decision	2026–31 proposal	2026–31 draft decision	2026–31 revised proposal	Change from draft decision
Proactive replacement		58.1	58.3	58.3	0.0%
Growth	12.2	9.2	9.2	9.2	0.0%
Reactive replacement	16.5	21.2	19.2	19.2	0.0%
Capitalised overheads	0.6	1.0	1.0	1.0	0.0%
Communications	3.2	3.6	2.2	2.2	-
IT	0.6	4.2	4.2	4.2	0.0%
Other	5.3	13.0	13.0	13.0	-
Equity raising costs	0.5	0.7	0.7	0.7	1.4%
Total capex (including SCS allocations)	**38.9**	**110.8**	**107.7**	**107.7**	**0.0%**
Total capex (excluding SCS allocations)	**38.1**	**109.9**	**107.2**	**107.2**	**0.0%**

Note: Categorised expenditure is presented in this table inclusive of expenditure allocated to standard control services (SCS). Some movements may not appear in dollar values due to rounding.
Source: AER, *Final Decision – CitiPower distribution determination – 2021–26 – ACS – Metering cost model*, April 2021; AER, *Final Decision – CitiPower distribution determination – 2021–26 – ACS – Metering – Post-tax revenue*

21 CitiPower, *CP RRP MOD 6.03 – Standardised metering capex and opex*, December 2025.

22 Powercor, *PAL RRP MOD 6.03 – Standardised metering capex and opex*, December 2025.

23 United Energy, *UE RRP MOD 6.03 – Standardised metering capex and opex*, December 2025.

model & Exit Fees, April 2021; CitiPower, *CP MOD 11.03 – Standardised metering capex and opex*, January 2025; CitiPower, *CP MOD 11.01 – Metering PTRM*, January 2025, January 2025; AER, *Metering expenditure model – Draft decision – CitiPower distribution determination 2026–31*, September 2025; AER, *Metering PTRM – Draft decision – CitiPower distribution determination 2026–31*, September 2025; CitiPower, *CP RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025.

Table 15-5 Revised proposal capex – Powercor ($million, 2025–26)

Category	2021–26 final decision	2026–31 proposal	2026–31 draft decision	2026–31 revised proposal	Change from draft decision
Proactive replacement		179.5	180.1	180.1	0.0%
Growth	34.5	50.2	50.3	50.3	0.0%
Reactive replacement	50.5	66.3	59.7	59.7	0.0%
Capitalised overheads	5.0	7.4	7.4	7.4	0.0%
Communications	23.3	52.6	35.3	35.3	0.0%
IT	1.4	8.9	9.1	9.1	-
Other	12.3	32.9	27.6	27.6	-
Equity raising costs	1.2	2.0	2.1	2.1	0.2%
Total capex (including SCS allocations)	**127.8**	**399.9**	**371.7**	**371.7**	**0.0%**
Total capex (excluding SCS allocations)	**121.9**	**386.7**	**362.8**	**362.8**	**0.0%**

Note: Categorised expenditure is presented in this table inclusive of expenditure allocated to SCS. Some movements may not appear in dollar values due to rounding.
Source: AER, *Final Decision – Powercor distribution determination – 2021–26 – ACS – Metering cost model*, April 2021; AER, *Final Decision – Powercor distribution determination – 2021–26 – ACS – Metering – Post-tax revenue model and Exit Fees*, April 2021; Powercor, *PAL MOD 12.03 – Standardised metering capex and opex*, January 2025; Powercor, *PAL MOD 12.01 – Metering PTRM*, January 2025, January 2025; AER, *Metering expenditure model – Draft decision – Powercor distribution determination 2026–31*, September 2025; AER, *Metering PTRM – Draft decision – Powercor distribution determination 2026–31*, September 2025; Powercor, *PAL RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025.

Table 15-6 Revised proposal capex – United Energy ($million, 2025–26)

Category	2021–26 final decision	2026–31 proposal	2026–31 draft decision	2026–31 revised proposal	Change from draft decision
Proactive replacement		120.7	121.0	121.0	-
Growth	29.8	29.6	19.4	19.4	0.0%
Reactive replacement	19.4	42.6	38.1	38.1	-
Capitalised overheads	0.9	6.5	6.5	6.5	0.0%
Communications	12.1	16.2	10.8	10.8	-
IT	3.2	14.1	14.4	14.4	-
Other	6.3	17.6	17.6	17.6	-
Equity raising costs	0.6	1.4	1.4	1.4	0.9%
Total capex (including SCS allocations)	**72.3**	**248.7**	**229.2**	**229.2**	**0.0%**
Total capex (excluding SCS allocations)	**69.2**	**244.6**	**226.5**	**226.5**	**0.0%**

Note: Categorised expenditure is presented in this table inclusive of expenditure allocated to SCS. Some movements may not appear in dollar values due to rounding.
Source: AER, *Final Decision – United Energy distribution determination – 2021–26 – ACS – Metering cost model*, April 2021; AER, *Final Decision – United Energy distribution determination – 2021–26 – ACS – Metering – Post-tax revenue model and exit fees*, April 2021; United Energy, *UE MOD 12.03 – Standardised metering capex and opex*, January 2025; United Energy, *UE MOD 12.01 – Metering PTRM*, January 2025; AER, *Metering expenditure model – Draft decision – United Energy distribution determination 2026–31*, September 2025; AER, *Metering PTRM – Draft decision – United Energy distribution determination 2026–31*, September 2025; United Energy, *UE RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025.

15.2.3 Operating expenditure

CPU's revised proposals were for total opex for metering services in the 2026–31 period of:

- $25.3 million ($2025–26) for CitiPower.[24] This is a decrease of $5.0 million ($2025–26) or 16.4% from our draft decision total operating expenditure of $30.3 million.[25]
- $71.2 million ($2025–26) for Powercor.[26] This is an increase of $0.2 million ($2025–26) or 0.3% from our draft decision total expenditure of $70.9 million.[27]

24 CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025.

25 AER, *Metering PTRM – Draft decision – CitiPower distribution determination 2026–31*, September 2025.

26 Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025.

27 AER, *Metering PTRM – Draft decision – Powercor distribution determination 2026–31*, September 2025.

- $40.5 million ($2025–26) for United Energy.[28] This is an increase of $0.3 million ($2025–26) or 0.8% from our draft decision total expenditure of $40.2 million.[29]

CPU developed its opex forecasts using the 'base-step-trend' method, consistent with the standardised metering models and our standard approach for SCS. CPU's revised proposals included base opex using historical opex (2024–25) with no adjustments, trends that included metering growth and real price changes in labour costs, and step changes to account for an increase in meter testing.[30]

These proposed amounts reflected that CPU accepted the positions in our draft decisions, with updates only for base year opex. CPU's revised proposal opex for the 2026–31 period is set out in Table 15-7, Table 15-8 and Table 15-9.

Table 15-7 Revised proposal opex – CitiPower ($million, 2025–26)

Category	2021–26 final decision	2026–31 proposal	2026–31 draft decision	2026–31 revised proposal	Change from draft decision
Base opex	36.0	22.1	22.1	17.5	-20.8%
Trend: Output growth	1.7	0.8	0.8	0.7	-20.8%
Trend: Price growth	0.9	1.3	1.0	0.8	-20.8%
Total trend	2.6	2.2	1.8	1.5	-20.8%
Step change: Meter testing		6.2	6.2	6.2	-
Total step changes	-2.2	6.2	6.2	6.2	-
Debt raising costs	0.2	0.2	0.2	0.2	-2.1%
Total opex	**36.5**	**30.7**	**30.3**	**25.3**	**-16.4%**

Note: Trend components will not sum to total trend due to compounding effects. Some movements may not appear in dollar values due to rounding.
Source: AER, *Final Decision – CitiPower distribution determination – 2021–26 – ACS – Metering cost model*, April 2021; AER, *Final Decision – CitiPower distribution determination – 2021–26 – ACS – Metering – Post-tax revenue model & Exit Fees*, April 2021; CitiPower, *CP MOD 11.03 – Standardised metering capex and opex*, January 2025; CitiPower, *CP MOD 11.01 – Metering PTRM*, January 2025, January 2025; AER, *Metering expenditure model – Draft decision – CitiPower distribution determination 2026–31*, September 2025; AER, *Metering PTRM – Draft decision – CitiPower distribution determination 2026–31*, September 2025; CitiPower, *CP RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025.

28 United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025.

29 AER, *Metering PTRM – Draft decision – United Energy distribution determination 2026–31*, September 2025.

30 CitiPower, *CP RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; Powercor, *PAL RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; United Energy, *UE RRP MOD 6.03 – Standardised metering capex and opex*, December 2025.

Table 15-8 Revised proposal opex – Powercor ($million, 2025–26)

Category	2021–26 final decision	2026–31 proposal	2026–31 draft decision	2026–31 revised proposal	Change from draft decision
Base opex	71.0	54.0	54.0	54.2	0.4%
Trend: Output growth	5.3	4.6	4.6	4.6	0.4%
Trend: Price growth	1.7	3.2	2.3	2.4	0.4%
Total trend	7.2	8.1	7.2	7.2	0.4%
Step change: Meter testing		9.2	9.2	9.2	-
Total step changes	-4.0	9.2	9.2	9.2	-
Debt raising costs	0.6	0.7	0.6	0.6	-0.4%
Total opex	**74.7**	**71.9**	**70.9**	**71.2**	**0.3%**

Note: Trend components will not sum to total trend due to compounding effects. Some movements may not appear in dollar values due to rounding.
Source: AER, *Final Decision – Powercor distribution determination – 2021–26 – ACS – Metering cost model*, April 2021; AER, *Final Decision – Powercor distribution determination – 2021–26 – ACS – Metering – Post-tax revenue model and Exit Fees*, April 2021; Powercor, *PAL MOD 12.03 – Standardised metering capex and opex*, January 2025; Powercor, *PAL MOD 12.01 – Metering PTRM*, January 2025, January 2025; AER, *Metering expenditure model – Draft decision – Powercor distribution determination 2026–31*, September 2025; AER, *Metering PTRM – Draft decision – Powercor distribution determination 2026–31*, September 2025; Powercor, *PAL RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025.

Table 15-9 Revised proposal opex – United Energy ($million, 2025–26)

Category	2021–26 final decision	2026–31 proposal	2026–31 draft decision	2026–31 revised proposal	Change from draft decision
Base opex	40.2	32.1	32.0	32.3	1.0%
Trend: Output growth	2.2	1.7	0.8	0.8	1.0%
Trend: Price growth	1.0	1.9	1.4	1.4	1.0%
Total trend	3.2	3.8	2.2	2.2	1.0%
Step change: Meter testing		5.6	5.6	5.6	-
Total step changes	-2.5	5.6	5.6	5.6	-
Debt raising costs	0.3	0.4	0.3	0.3	-0.6%
Total opex	**41.2**	**41.9**	**40.2**	**40.5**	**0.8%**

Note: Trend components will not sum to total trend due to compounding effects. Some movements may not appear in dollar values due to rounding.
Source: AER, *Final Decision – United Energy distribution determination – 2021–26 – ACS – Metering cost model*, April 2021; AER, *Final Decision – United Energy distribution determination – 2021–26 – ACS – Metering – Post-tax revenue model and exit fees*, April 2021; United Energy, *UE MOD 12.03 – Standardised metering capex and opex*, January 2025; United Energy, *UE MOD 12.01 – Metering PTRM*, January 2025; AER, *Metering expenditure model – Draft decision – United Energy distribution determination 2026–31*, September 2025; AER, *Metering PTRM – Draft decision – United Energy distribution determination 2026–31*, September 2025; United Energy, *UE RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025.

15.2.4 Stakeholder views

We received two submissions on metering in response to CPU's revised proposals and our draft decisions. Green Metering and Flow Power questioned the AER's draft decisions and CPU's revised proposals relating to the proactive replacement of metering services on the basis it prevented future potential for a competitive market for metering services.[31] We note at the time of our final decision that there is no competitive market for metering services in Victoria, nor is there any indication that a competitive market is being considered in the future. Therefore, our final decision is made in this context accounting for the Victorian distributors, including CPU, being monopoly providers of regulated metering services.

15.3 Assessment approach

Metering services are classified as alternative control services in Victoria.[32] The regulatory framework for assessing alternative control services is less prescriptive than for SCS. As such, we have a greater discretion under the National Electricity Rules (NER) in assessing

[31] Green Metering, *Submission – CPU electricity distribution proposals 2026-31*, February 2026, p. 2; Flow Power, *Submission – CPU electricity distribution proposals 2026–31*, March 2026, p. 2.

[32] AER, *Final Framework and Approach – Victorian electricity distribution determinations 2026–31*, July 2024, p. 32.

proposals for metering services compared to SCS. However, where possible we seek to apply similar approaches as applied to SCS. In considering CPU's revised proposals we have had regard to:

- The application of our standardised metering model templates for metering expenditure, management of the regulated asset base, smoothing of allowed revenues, and setting of price caps where appropriate.
- An assessment of the prudent and efficient costs of providing metering services, having regard to historical expenditure, our previous determinations, benchmarked costs against other distributors, and against independent data and information as relevant.
- The wider regulatory context, including the existence or possibility of competition across metering services provided.
- Consistency of approach with other regulated services, particularly SCS, the current applicable determination, our recent determinations for other networks, and across the current proposals being assessed.
- Stakeholder engagement undertaken on the proposal, stakeholder feedback provided in response to the proposal or our issues papers and if / how it has been incorporated into proposals.
- Any other factors we considered relevant to our assessment.

A Reasons for final decision

A.1 Annual revenue requirement

Our final decisions are for total ARRs for metering services over the 2026–31 period of:

- $92.4 million ($nominal, smoothed) for CitiPower.[33] This is an increase of $0.8 million ($nominal) or 0.9% from CitiPower's revised proposal total ARR of $91.6 million ($nominal, smoothed) for this period.[34]
- $303.5 million ($nominal, smoothed) for Powercor.[35] This is an increase of $2.9 million ($nominal) or 1.0% from Powercor's revised proposal total ARR of $300.6 million ($nominal, smoothed) for this period.[36]
- $176.9 million ($nominal, smoothed) for United Energy.[37] This is an increase of $1.6 million ($nominal) or 0.9% from United Energy's revised proposal total ARR of $175.3 million ($nominal, smoothed) for this period.[38]

Our final decisions apply a flat real price path for years 2–5, consistent with CPU's revised proposals and our draft decisions. This is done by applying 0% X factors in these years. This means that any real price movements are applied in the 2026–27 year. We consider this provides the most certainty for customers and will deliver material real price decreases as soon as possible, including in the context of the impact of the increase of capex for proactive replacements.

Our final decision ARRs and X factors are set out in Table A-1.

33 AER, *Metering PTRM – Final decision – CitiPower distribution determination 2026–31*, April 2026.

34 CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025.

35 AER, *Metering PTRM – Final decision – Powercor distribution determination 2026–31*, April 2026.

36 Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025.

37 AER, *Metering PTRM – Final decision – United Energy distribution determination 2026–31*, April 2026.

38 United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025.

Table A-1 Final decision metering total ARR – CitiPower ($million, nominal)

	2026–27	2027–28	2028–29	2029–30	2030–31	Total
Revised proposal – unsmoothed	13.5	15.6	18.1	21.1	24.7	93.0
Revised proposal – smoothed	17.4	17.8	18.3	18.8	19.2	91.6
Revised proposal – X factors	33.0%	-	-	-	-	
Final decision – unsmoothed	13.5	15.8	18.2	21.3	25.0	93.8
Final decision – smoothed	**17.5**	**18.0**	**18.5**	**18.9**	**19.4**	**92.4**
Final decision – X factors	**32.6%**	**-**	**-**	**-**	**-**	

Note: A positive X factor reflects a reduction in revenues.
Source: CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering PTRM – Final decision – CitiPower distribution determination 2026–31*, April 2026.

Table A-2 Final decision metering total ARR – Powercor ($million, nominal)

	2026–27	2027–28	2028–29	2029–30	2030–31	Total
Revised proposal – unsmoothed	44.2	51.1	59.5	68.8	81.5	305.1
Revised proposal – smoothed	57.1	58.6	60.1	61.6	63.2	300.6
Revised proposal – X factors	16.7%	-	-	-	-	
Final decision – unsmoothed	44.5	51.5	60.1	69.7	82.7	308.3
Final decision – smoothed	**57.6**	**59.1**	**60.7**	**62.2**	**63.9**	**303.5**
Final decision – X factors	**16.1%**	**-**	**-**	**-**	**-**	

Note: A positive X factor reflects a reduction in revenues.
Source: Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering PTRM – Final decision – Powercor distribution determination 2026–31*, April 2026.

Table A-3 Final decision metering total ARR – United Energy ($million, nominal)

	2026–27	2027–28	2028–29	2029–30	2030–31	Total
Revised proposal – unsmoothed	25.1	29.6	34.8	41.1	47.5	178.1
Revised proposal – smoothed	33.3	34.2	35.0	35.9	36.8	175.3
Revised proposal – X factors	13.1%	-	-	-	-	
Final decision – unsmoothed	25.2	29.8	35.1	41.6	48.2	179.9
Final decision – smoothed	**33.6**	**34.5**	**35.4**	**36.3**	**37.2**	**176.9**
Final decision – X factors	**12.5%**	**-**	**-**	**-**	**-**	

Note: A positive X factor reflects a reduction in revenues.
Source: United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering PTRM – Final decision – United Energy distribution determination 2026–31*, April 2026.

The AER's post tax revenue model (PTRM) calculates the ARR for each year of the 2026–31 period. This unsmoothed ARR for each year is then smoothed (as in Tables A-1, A-2 and A-3) and is the sum of the building block costs, with smoothed and unsmoothed ARR having the same net present value. Table A-4 shows the component and total building block costs that form the ARRs and where discussion on the components that drive these costs can be found within this appendix.

Table A-4 Final decision metering building block components and total AARs (unsmoothed, $million, nominal)

Building block component	2026–31 revised proposal CPR	2026–31 final decision CPR	2026–31 revised proposal PCR	2026–31 final decision PCR	2026–31 revised proposal UEY	2026–31 final decision UEY	Sections discussed
Return on capital	21.4	22.3	77.8	81.3	43.4	45.3	A.3, A.5
Return of capital (regulatory depreciation)	42.4	42.3	145.6	145.1	88.1	87.9	A.4, A.5
Operating expenditure	27.4	27.4	77.0	77.0	43.8	43.8	A.6
Net tax allowance	1.7	1.8	4.7	5.0	2.8	2.9	-
Revenue requirement	**93.0**	**93.8**	**305.1**	**308.3**	**178.1**	**179.9**	**A.1**

Note: CPR = CitiPower, PCR = Powercor, UEY = United Energy; Return on and of capital are products of proposed capex, discussed at section A.5.
Source: CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering PTRM – Final decision – CitiPower distribution determination 2026–31*, April 2026; Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering PTRM – Final decision – Powercor distribution determination 2026–31*, April 2026; United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering PTRM – Final decision – United Energy distribution determination 2026–31*, April 2026.

A.2 Regulatory asset base

Our final decisions accept CPU's regulatory asset base (RAB) roll forward and calculation method as in its revised proposals. However, we substitute values for revised historical inputs, our final decision capex inputs, updated inflation, WACC inputs and other updated inputs related to the rate of return.

The value of the RABs impact CPU's revenue requirements, and the prices consumers ultimately pay. All other things being equal, a higher RAB increases both the return on capital and return of capital (depreciation) components of the distribution determination and therefore results in higher prices. Our final decisions are set out in Table A-5 and show higher closing RABs at the end of the 2026–31 period compared to CPU's revised proposals. This reflects that our final decisions include updated inflation and rate of return inputs, as well as updated capex forecasts.

Table A-5 Final decision summary of metering asset roll forwards ($million, nominal)

Summary of asset roll forward	2026–31 revised proposal CPR	2026–31 final decision CPR	2026–31 revised proposal PCR	2026–31 final decision PCR	2026–31 revised proposal UEY	2026–31 final decision UEY
Opening RAB on 1 July 2026	43.1	43.1	165.0	165.0	84.3	84.3
Net capex	118.4	118.7	400.8	401.9	250.2	250.9
Regulatory depreciation	-51.3	-42.3	-177.9	-178.4	-106.1	-106.4
Inflation on opening RAB	8.9	9.1	32.3	33.3	18.0	18.5
Forecast closing RAB on 30 June 2031	**119.0**	**119.4**	**420.2**	**421.9**	**246.4**	**247.3**

Note: CPR = CitiPower, PCR = Powercor, UEY = United Energy.
Source: CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering PTRM – Final decision – CitiPower distribution determination 2026–31*, April 2026; Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering PTRM – Final decision – Powercor distribution determination 2026–31*, April 2026; United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering PTRM – Final decision – United Energy distribution determination 2026–31*, April 2026.

We used the roll forward model (RFM) to roll forward CPU's RABs from the 2021–26 period to arrive at opening RAB values as of 1 July 2026. This included application of a bespoke RFM template to factor in the transition to financial year regulation which occurred in 2021. The roll-forward calculations account for inflation, the WACC, actual net capex and actual depreciation.

In our draft decisions we had difficulty reconciling historical capex amounts in the RFM with capex amounts reported by distributors in their regulatory information notices (RINs). Our draft decisions used placeholder historical capex amounts, requesting distributors to reconcile and update in their revised proposals.[39]

CPU's revised proposals updated historical capex amounts to correctly allocate overheads across the asset classes. CPU provided updated RIN and annual information order responses to support these revised amounts.[40] We reviewed the information provided by CPU and consider the updated RIN amounts are reasonable and reconcile with the RFM.

In the 2026–31 period, we expect distributors to report actual metering capex by purpose in the new annual orders in a way that can be reconciled against future RFMs.[41] We expect this will be disaggregated to meter, communications and IT components as a minimum. Where possible this should be disaggregated further at the meter component by purpose to align

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39 AER, *Attachment 15 – Metering services – Draft decision – CitiPower, Powercor and United Energy distribution determinations 2026–31*, September 2025, p. 16.

40 CitiPower, *Information request – IR088 – Metering Capital expenditure*, March 2026, Q1; Powercor, *Information request #092 – Metering Capital expenditure*, March 2026, Q1; United Energy, *Information request #081 – Metering Capital expenditure*, March 2026, Q1, Q2.

41 AER, *DNSP – Annual Order 2024–25 – Data submission workbook*, January 2025, Table 8.2.3.

with categories of capex considered in these final decisions (e.g., proactive replacement, reactive replacement, customer-initiated replacement, etc.). We will engage further through the next revision process for the annual information order response template.

The opening RABs at the beginning of the 2026–31 period may also be adjusted to reflect any changes in the use of the assets, with only assets used to provide metering services to be included in the RAB. No such adjustments have been made for the 2026–31 period.

The PTRM used to calculate the ARRs for the 2026–31 period generally adopts the same RAB roll-forward approach as the RFM, with the forward-looking annual adjustments to the RAB being based on forecasts. These will then be updated for actual amounts in the RFM as part of our assessment for the 2031–36 period.

A.3 Rate of return

Our final decisions on metering services apply the same rate of return (WACC) as applied throughout our determinations, as set out in section 2.2 of the Overviews to each final decision. These state that the final decisions use the 2022 rate of return instrument. This includes updated rates for return on debt, inflation, and equity raising costs.

A.4 Regulatory depreciation

Our final decisions accept CPU's proposed weighted average remaining life depreciation approach, with substitute values for corrected historical inputs, our final decision capex inputs, updated inflation, WACC inputs, and other updated inputs related to the rate of return. This includes the application of our standardised RFM and PTRM templates.

A.5 Capital expenditure

Our final decisions are for total capex for metering services over the 2026–31 period of:

- $107.2 million ($2025–26) for CitiPower.[42] This is a decrease of $0.03 million ($2025–26) or 0.02% from CitiPower's revised proposal total capex of $107.2 million ($2025–26) for this period.[43]
- $362.8 million ($2025–26) for Powercor.[44] This is a decrease of $0.1 million ($2025–26) or 0.02% from Powercor's revised proposal total capex of $362.8 million ($2025–26) for this period.[45]

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42 AER, *Metering expenditure model – Final decision – CitiPower distribution determination 2026–31*, April 2026.

43 CitiPower, *CP RRP MOD 6.03 – Standardised metering capex and opex*, December 2025.

44 AER, *Metering expenditure model – Final decision – Powercor distribution determination 2026–31*, April 2026.

45 Powercor, *PAL RRP MOD 6.03 – Standardised metering capex and opex*, December 2025.

- $226.5 million ($2025–26) for United Energy.[46] This is a decrease of $0.05 million ($2025–26) or 0.02% from United Energy's revised proposal total capex of $226.5 million ($2025–26) for this period.[47]

Our final decision capex for the 2026–31 period is set out in Tables A-6, A-7 and A-8, along with a comparison against CPU's revised proposal capex for that period.

Our final decisions accept the capex in CPU's revised proposals, substituting values for updated inflation, labour cost escalation and our final decision maximum labour rates (see Attachment 14). Our draft decision provides detail on our consideration of CPU's proposed capex, including the proposed proactive replacement programs.[48]

Table A-6 Final decision capex – CitiPower ($million, 2025–26)

Category	2026–31 revised proposal	2026–31 final decision	Change from revised proposal	Final decision proportion of total capex
Proactive replacement	58.3	58.3	0.1%	54.2%
Growth	9.2	9.2	0.3%	8.6%
Reactive replacement	19.2	19.0	-0.9%	17.6%
Capitalised overheads	1.0	1.0	0.3%	0.9%
Communications	2.2	2.2	0.2%	2.0%
IT	4.2	4.2	-0.1%	3.9%
Other	13.0	13.0	0.3%	12.1%
Equity raising costs	0.7	0.7	-0.9%	0.7%
Total capex (including SCS allocations)	**107.7**	**107.7**	**-0.0%**	
Total capex (excluding SCS allocations)	**107.2**	**107.2**	**-0.0%**	

Note: Categorised expenditure is presented in this table inclusive of expenditure allocated to SCS. Some movements may not appear in dollar values due to rounding.
Source: CitiPower, *CP RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering expenditure model – Final decision – CitiPower distribution determination 2026–31*, April 2026; AER, *Metering PTRM – Final decision – CitiPower distribution determination 2026–31*, April 2026.

46 AER, *Metering expenditure model – Final decision – United Energy distribution determination 2026–31*, April 2026.

47 United Energy, *UE RRP MOD 6.03 – Standardised metering capex and opex*, December 2025.

48 AER, *Attachment 15 – Metering services – Draft decision – CitiPower, Powercor and United Energy distribution determination 2026–31*, September 2025, pp. 17–35.

Table A-7 Final decision capex – Powercor ($million, 2025–26)

Category	2026–31 revised proposal	2026–31 final decision	Change from revised proposal	Final decision proportion of total capex
Proactive replacement	180.1	180.4	0.1%	48.5%
Growth	50.3	50.5	0.3%	13.6%
Reactive replacement	59.7	59.1	-1.0%	15.9%
Capitalised overheads	7.4	7.5	0.3%	2.0%
Communications	35.3	35.4	0.2%	9.5%
IT	9.1	9.1	-0.1%	2.4%
Other	27.6	27.7	0.3%	7.5%
Equity raising costs	2.1	2.1	-1.1%	0.6%
Total capex (including SCS allocations)	**371.7**	**371.6**	**-0.0%**	
Total capex (excluding SCS allocations)	**362.8**	**362.8**	**-0.0%**	

Note: Categorised expenditure is presented in this table inclusive of expenditure allocated to SCS. Some movements may not appear in dollar values due to rounding.
Source: Powercor, *PAL RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering expenditure model – Final decision – Powercor distribution determination 2026–31*, April 2026; AER, *Metering PTRM – Final decision – Powercor distribution determination 2026–31*, April 2026.

Table A-8 Final decision capex – United Energy ($million, 2025–26)

Category	2026–31 revised proposal	2026–31 final decision	Change from revised proposal	Final decision proportion of total capex
Proactive replacement	121.0	121.2	0.1%	52.9%
Growth	19.4	19.4	0.3%	8.5%
Reactive replacement	38.1	37.7	-0.9%	16.5%
Capitalised overheads	6.5	6.5	0.3%	2.9%
Communications	10.8	10.8	0.1%	4.7%
IT	14.4	14.4	-0.1%	6.3%
Other	17.6	17.7	0.3%	7.7%
Equity raising costs	1.4	1.4	-0.9%	0.6%
Total capex (including SCS allocations)	**229.2**	**229.2**	**-0.0%**	
Total capex (excluding SCS allocations)	**226.5**	**226.5**	**-0.0%**	

Note: Categorised expenditure is presented in this table inclusive of expenditure allocated to SCS. Some movements may not appear in dollar values due to rounding.
Source: United Energy, *UE RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering expenditure model – Final decision – United Energy distribution determination 2026–31*, April 2026; AER, *Metering PTRM – Final decision – United Energy distribution determination 2026–31*, April 2026.

A.6 Operating expenditure

Our final decisions are for total opex for metering services over the 2026–31 period of:

- $25.3 million ($2025–26) for CitiPower.[49] This is a decrease of $0.1 million ($2025–26) or 0.2% from CitiPower's revised proposal total opex of $25.3 million ($2025–26).[50]
- $71.0 million ($2025–26) for Powercor.[51] This is a decrease of $0.2 million ($2025–26) or 0.3% from Powercor's revised proposal $71.2 million ($2025–26).[52]
- $40.4 million ($2025–26) for United Energy.[53] This is a decrease of $0.1 million ($2025–26) or 0.3% from United Energy's revised proposal $40.5 million ($2025–26).[54]

49 AER, *Metering PTRM – Final decision – CitiPower distribution determination 2026–31*, April 2026.
50 CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025.
51 AER, *Metering PTRM – Final decision – Powercor distribution determination 2026–31*, April 2026.
52 Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025.
53 AER, *Metering PTRM – Final decision – United Energy distribution determination 2026–31*, April 2026.
54 United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025.

This reflects the base-step-trend estimates provided by CPU in its revised proposals, adjusted for updates to inflation and labour cost escalation. Our final decisions accept CPU's use of 2024–25 actual opex for the base year, being more up-to-date than, but not materially different to, the 2023–24 base year used in the draft decisions.[55] Our final decision opex is set out in Tables A-9, A-10 and A-11.

Table A-9 Final decision opex – CitiPower ($million, 2025–26)

Category	2026–31 revised proposal	2026–31 final decision	Change from revised proposal	Final decision proportion of total opex
Base opex	17.5	17.6	0.6%	69.8%
Trend: Output growth	0.7	0.7	0.6%	2.6%
Trend: Price growth	0.8	0.6	-21.4%	2.4%
Total trend	1.5	1.3	-11.4%	5.1%
Step change: Meter testing	6.2	6.2	-	24.4%
Total step changes	6.2	6.2	-	24.4%
Debt raising costs	0.2	0.2	0.9%	0.7%
Total opex	**25.3**	**25.3**	**-0.2%**	

Note: Some movements may not appear in dollar values due to rounding.
Source: CitiPower, *CP RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; CitiPower, *CP RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering expenditure model – Final decision – CitiPower distribution determination 2026–31*, April 2026; AER, *Metering PTRM – Final decision – CitiPower distribution determination 2026–31*, April 2026.

[55] AER, *Attachment 15 – Metering services – Draft decision – CitiPower, Powercor and United Energy distribution determination 2026–31*, September 2025, p. 37.

Table A-10 Final decision opex – Powercor ($million, 2025–26)

Category	2026–31 revised proposal	2026–31 final decision	Change from revised proposal	Final decision proportion of total opex
Base opex	54.2	54.5	0.6%	76.8%
Trend: Output growth	4.6	4.6	0.6%	6.5%
Trend: Price growth	2.4	1.9	-21.4%	2.6%
Total trend	7.2	6.7	-7.3%	9.4%
Step change: Meter testing	9.2	9.2	0.0%	12.9%
Total step changes	9.2	9.2	0.0%	12.9%
Debt raising costs	0.6	0.6	1.0%	0.9%
Total opex	**71.2**	**71.0**	**-0.3%**	

Note: Some movements may not appear in dollar values due to rounding.
Source: Powercor, *PAL RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; Powercor, *PAL RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering expenditure model – Final decision – Powercor distribution determination 2026–31*, April 2026; AER, *Metering PTRM – Final decision – Powercor distribution determination 2026–31*, April 2026.

Table A-11 Final decision opex – United Energy ($million, 2025–26)

Category	2026–31 revised proposal	2026–31 final decision	Change from revised proposal	Final decision proportion of total opex
Base opex	32.3	32.5	0.6%	80.6%
Trend: Output growth	0.8	0.8	0.6%	1.9%
Trend: Price growth	1.4	1.1	-21.4%	2.7%
Total trend	2.2	1.9	-13.6%	4.8%
Step change: Meter testing	5.6	5.6	0.0%	13.8%
Total step changes	5.6	5.6	0.0%	13.8%
Debt raising costs	0.3	0.3	0.9%	0.8%
Total opex	**40.5**	**40.4**	**-0.3%**	

Note: Some movements may not appear in dollar values due to rounding.
Source: United Energy, *UE RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; United Energy, *UE RRP MOD 6.01 – Metering PTRM*, December 2025; AER, *Metering expenditure model – Final decision – United Energy distribution determination 2026–31*, April 2026; AER, *Metering PTRM – Final decision – United Energy distribution determination 2026–31*, April 2026.

A.7 Expenditure allocated to SCS

Our final decisions accept the allocations of metering expenditure to SCS in CPU's revised proposals.[56] These allocations are unchanged from our draft decisions.[57]

A.8 Metering exit fees

Metering exit fees allow CPU to recover the written down value of meters, as well as the efficient costs of removal and disposal. An example of where these fees may occur is when an existing site with multiple meters, such as an apartment building, becomes an embedded network, resulting in the removal of existing meters from the RAB.

Our draft decisions accepted CPU's proposed approach to setting these price-capped fees, using the calculation of the RAB and the building blocks for metering services ARR, in line with the historical approach and the standardised metering pricing model template.[58] Our final decisions update the revised proposal exit fees in line with our updates on the building block components for the metering services ARRs as set out in the previous sections.

The price caps applicable in the first year of the 2026–31 period, as well as the X factors to escalate those prices in subsequent years, are set out in Table A-12, A-13 and A-14. These X factors are calculated based on the real difference between the calculated price caps for each year, based on the RAB and building blocks for metering services. Increases are represented by negative X factors, and decreases represented by positive X factors, as the price cap is escalated using the CPI-X form.

Table A-12 Final decision metering exit fee year 1 price caps ($2025–26) and year 2–5 X factors – CitiPower

Category	2026–27 price cap	2027–28 X factor	2028–29 X factor	2029–30 X factor	2030–31 X factor
Single phase meter	218.87	-10.5%	-9.2%	-9.7%	-10.0%
Multi-phase meter	268.99	-11.9%	-11.0%	-11.5%	-11.6%
Multi-phase meter CT	376.65	-13.7%	-13.4%	-13.6%	-13.4%
Basic or MRIM	55.54	-0.8%	-1.0%	-1.1%	-1.1%

Source: AER, *Metering PTRM – Final decision – CitiPower distribution determination 2026–31*, April 2026.

56 AER, *Metering expenditure model – Final decision – CitiPower distribution determination 2026–31*, April 2026; AER, *Metering expenditure model – Final decision – Powercor distribution determination 2026–31*, April 2026; AER, *Metering expenditure model – Final decision – United Energy distribution determination 2026–31*, April 2026; CitiPower, *CP RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; Powercor, *PAL RRP MOD 6.03 – Standardised metering capex and opex*, December 2025; United Energy, *UE RRP MOD 6.03 – Standardised metering capex and opex*, December 2025.

57 AER, *Attachment 15 – Metering services – Draft decision – CitiPower, Powercor and United Energy distribution determination 2026–31*, September 2025, p. 39.

58 AER, *Attachment 15 – Metering services – Draft decision – CitiPower, Powercor and United Energy distribution determination 2026–31*, September 2025, pp. 39–41.

Table A-13 Final decision metering exit fee year 1 price caps ($2025–26) and year 2–5 X factors – Powercor

Category	2026–27 price cap	2027–28 X factor	2028–29 X factor	2029–30 X factor	2030–31 X factor
Single phase meter	310.24	-9.1%	-8.5%	-8.7%	-8.6%
Multi-phase meter	367.28	-9.8%	-9.5%	-9.8%	-9.6%
Multi-phase meter CT	493.35	-11.0%	-11.1%	-11.4%	-11.0%
Basic or MRIM	54.15	-0.8%	-1.0%	-1.1%	-1.1%

Source: AER, *Metering PTRM – Final decision – Powercor distribution determination 2026–31*, April 2026.

Table A-14 Final decision metering exit fee year 1 price caps ($2025–26) and year 2–5 X factors – United Energy

Category	2026–27 price cap	2027–28 X factor	2028–29 X factor	2029–30 X factor	2030–31 X factor
Single phase meter	237.86	-11.7%	-10.1%	-11.0%	-10.7%
Multi-phase meter	286.10	-12.8%	-12.0%	-13.0%	-12.5%
Multi-phase meter CT	387.44	-14.4%	-14.5%	-15.4%	-14.6%
Basic or MRIM	54.15	-0.8%	-1.0%	-1.1%	-1.1%

Source: AER, *Metering PTRM – Final decision – United Energy distribution determination 2026–31*, April 2026.

The price paths over the 2026–31 period reflect the increases in the RABs that result from the proactive replacement programs.

Our draft decisions raised concern that the price paths for exit fees, where there is expected increases over the coming 2026–31 period and beyond, may incentivise exiting activities. AusNet and CPU responded to our concern in their revised proposals. AusNet noted that it considers that the Victorian AMI orders do not allow small customers to replace relevant metering installations with a contestable meter in most circumstances and therefore smoothing of exit fee prices is not necessary as there is no risk of incentive.[59] CPU noted that increases in meter exit fees in line with RAB increases are appropriate.[60] Jemena's revised proposal did not address this concern but accepted the price path of the draft decision. No stakeholder submissions were received in relation to metering exit fees. As such, our final decisions have retained the approach of unsmoothed exit fees.

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59 AusNet Services, *ASD – AusNet – EDPR Revised Proposal 2026–31*, December 2025, p.274.

60 CitiPower, *CitiPower Revised Proposal 2026–31 – Revenue and expenditure forecasts*, December 2025, p. 64; Powercor, *Powercor Revised Proposal 2026–31 – Revenue and expenditure forecasts*, December 2025, p. 77; United Energy, *United Energy Revised Proposal 2026–31 – Revenue and expenditure forecasts*, December 2025, p. 59.

A.9 Cost pass through mechanism

Our draft decisions proposed a cost pass through mechanism to account for uncertainty around future metering expenditure in light of new technologies and legislation. The Victorian distributors' supported this proposed mechanism in their revised proposals either explicitly (Jemena), or implicitly through acceptance of our proposed control mechanisms (AusNet, CPU).[61] Our final decisions on this mechanism is set out with the control mechanisms for metering services in Attachment 12.

[61] AusNet Services, *ASD – EDPR Revised Proposal 2026–31*, December 2025, p. 301–302; CitiPower, *CitiPower Revised Proposal 2026–31 – Revenue and expenditure forecasts*, December 2025, p. 63; Jemena, *JEN –RP – Att 10-01 Advanced Metering Infrastructure – revised*, December 2025 pp. 26; Powercor, *Powercor Revised Proposal 2026–31 – Revenue and expenditure forecasts*, December 2025, p. 76; United Energy, *United Energy Revised Proposal 2026–31 – Revenue and expenditure forecasts*, December 2025, p. 59.

Shortened forms

Term	Definition
2026–31 period	2026–31 regulatory control period
ARR	Annual revenue requirement
AusNet	AusNet Services
Capex	Capital expenditure
CPI	Consumer price index
CPR	CitiPower
CPU	CitiPower, Powercor, and United Energy
IT	Information technology
NEM	National Electricity Market
NER	National Electricity Rules
NPV	Net present value
Opex	Operating expenditure
PCR	Powercor
PTRM	Post tax revenue model
RAB	Regulatory asset base
RFM	Roll forward model
RIN	Regulatory information notice
SCS	Standard control services
UEY	United Energy
WACC	Weighted average cost of capital