AUSNET SERVICES' SMART METER UNDERTAKING:

AusNet Electricity Services Pty Ltd (ABN 91 064 651 118)

1. Administrative Undertaking

In order to achieve compliance with clauses 3(a) and 4(a) of the *AMI Specifications Order* and the *AMI Cost Recovery Order in Council*, AusNet Electricity Services Pty Ltd (**AusNet Services**) undertakes to:

(a) Achieve the compliance targets in accordance with the following schedule:

	30-Jun-16	30-Sep-16	31-Dec-16	31-Mar-17
Smart Meters by Region	**Smart Meters being Remotely Read**			
Lilydale	132,278	163,605	176,657	181,878
Leongatha	28,437	43,584	48,886	49,643
Benalla	18,328	29,331	32,998	34,407
Wodonga	18,715	23,400	37,457	40,385
Beaconsfield	78,889	78,889	101,062	110,301
Bairnsdale	25,126	27,670	42,933	48,021
Traralgon	37,070	37,070	43,811	67,404
South Morang	92,039	92,039	98,627	121,687
Seymour	6,434	6,434	9,414	19,846
Totals (Compliance Target)	**437,316**	**502,022**	**591,845**	**673,572**
% Smart Meters Remotely Read	**62.8%**	**72.1%**	**84.9%**	**96.7%**
Service Levels				
6am 95% Actual Data	>95%	>95%	>95%	>95%
24hr 99% Actual Data	>98%	>98%	>98%	>99%
10 day 99.9% Actual Data	>99%	>99%	>99.5%	>99.9%
Remote Disconnect and Reconnect	Not Available	Available	Available	Available
AMI Smart Meter Functionality	Available	Available	Available	Available

(b) Provide quarterly reports to the Essential Services Commission (**Commission**) on AusNet Services' progress in achieving the compliance targets in the table above. AusNet Services will report progress of remotely read meters at a regional level but the compliance assessment is to be based on the total number of meters. Reports will be provided within one calendar month of the end of each quarter, commencing from July 2016.

(c) Report at regular intervals to the Commission on AusNet Services' progress against the key milestones for AusNet Services' approach to achieving compliance.

(d) Work with the Commission to agree the scope of a program of independent audits of AusNet Services' progress in achieving the compliance targets. The audits will be undertaken in August 2016 and February 2017 in relation to AusNet Services' progress as at 30 June 2016 and 31 December 2016 respectively.

2. Background to the Administrative Undertaking

(a) The regulatory requirements

The Commission has requested that AusNet Services enter into an administrative undertaking setting out the timing by which it will meet its smart meter obligations under the Advanced Metering Infrastructure (**AMI**) regulatory framework. The undertaking specifically relates to AusNet Services' current non-compliance with clauses 3(a) and 4(a) of the *AMI Specifications Order* and the *AMI Cost Recovery Order in Council* (**the Orders**).

AusNet Services is required to install smart meters for eligible customers within its electricity network area in accordance with the Orders. AusNet Services is currently non-compliant with its obligations to install smart meters which meet the AMI functionality requirements and certain service level standards specified in the Orders.

The compliance targets that AusNet Services is required to achieve in accordance with this undertaking are as follows:

- the AMI functional specifications for each smart meter; and
- the following service level performance:
  - activation of remote reading across all smart meters to enable:
    - 95% of actual data to be provided to the market by 6am;
    - 99% of actual data to be provided to the market within 24 hours; and
    - 99.9% of actual data to be provided to the market within 10 business days.
  - activation of remote reconnections and remote disconnections capability.

(b) Current levels of compliance

As at 15 June 2015, AusNet Services had installed 696,749 smart meters and converted 417,910 of these meters to remotely provide meter data to market.

Table 1 below reports AusNet Services' level of compliance as at 15 June 2015 in each of the 9 regions (depicted in Figure 1) against the compliance targets.

Table 1 – Compliance as at 15 June 2015

Smart Meters by Region	As at 15 June 2015			
	Total Smart Meters	%Smart Meters	Smart Meters Remotely Read	%Smart Meters Remotely Read
Lilydale	184,339	99.6%	130,999	71.1%
Leongatha	49,566	99.7%	19,819	40.0%
Benalla	35,563	99.7%	15,499	43.6%
Wodonga	42,343	99.7%	17,781	42.0%
Beaconsfield	117,491	99.8%	78,195	66.6%
Bairnsdale	50,443	99.5%	23,866	47.3%
Traralgon	70,969	99.5%	34,806	49.0%
South Morang	125,692	99.8%	91,631	72.9%
Seymour	20,343	99.5%	5,314	26.1%
Totals (Compliance Target)	**696,749**	**99.7%**	**417,910**	**60.0%**
Service Levels				
6am 95% Actual Data			96.8%	
24hr 99% Actual Data			98.1%	
10 day 99.9% Actual Data			99.3%	
Remote Disconnect and Reconnect			Not Available	
AMI Smart Meter Functionality			Not Available	

Figure 1 – AusNet Services electricity network area by region