

2 May 2014

Advanced Metering Infrastructure (AMI) Program Developments

SP AusNet continues to roll-out its AMI program and has been working towards a target program completion date of 30 June 2014.

SP AusNet has installed around 686,000 smart electricity meters, which represents approximately 96% of the total number of meters to be installed in its territory. While SP AusNet has substantially completed its smart meter installations, and successfully converted 390,000 smart meters to communicate remotely with the market, it does not expect to convert the remaining smart meters by 30 June 2014.

SP AusNet has encountered periods of significant instability in its AMI systems performance as the number of smart meters connected to its AMI systems has been increased. In light of these issues, SP AusNet is undertaking a technical review of its AMI systems to address that instability, which will entail additional investment.

SP AusNet will now undertake further work to determine options and risks to its program to convert its remaining smart meters and to ensure that its AMI systems will be able to deliver the mandated performance consistently at this scale. This work is expected to take approximately two to three months to complete.

The extent of the additional investment required is presently under review. While there are regulatory processes to apply for recovery of all prudent expenditure, this recovery is subject to approval by the AER.

These developments do not impact the Full Year 2014 distribution guidance of 8.36 cents per security.

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