ELECTRIC METERING & AMI · 45–60 MIN

Understanding AMI: From Meter Reading to Utility Intelligence

A controlled technical paper on the measurements, communications, software, people and controls that turn one meter reading into responsible utility and customer action.

ORIGINAL METRO POWER PAPER

Second edition · 30 August 2026 · Review before project use

PUBLICATION CONTROL

A traceable educational edition.

This record separates publication authority from project approval. It identifies what was researched, what remains limited and when the source base must be reviewed again.

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Earlier if a controlling issuance changes

ABSTRACT

What this paper examines.

This paper explains Advanced Metering Infrastructure as an end-to-end utility operating capability. It traces revenue measurement, identity, field communications, HES, MDMS, enterprise workflows, cybersecurity, customer experience, pilot evidence, economics and procurement controls. Its purpose is to help utility leaders and technical teams distinguish product features from an operable, supportable and accountable AMI program.

IN SCOPE

- Electric-cooperative and distribution-utility AMI planning
- Meter-to-HES-to-MDMS-to-enterprise architecture
- Pilot, acceptance, customer and governance decisions

LIMITATIONS

- Does not certify a meter, communications network or software release
- Does not replace the controlling TOR, utility rules or professional engineering
- International guidance is contextual until Philippine applicability is verified

PHILIPPINE APPLICABILITY AND SOURCE AUTHORITY

Guidance, drafts and controlling authorities are not interchangeable.

AUTHORITY · Energy Regulatory Commission

INSTRUMENT ·

Resolution No. 08, Series of 2026, meter and instrument-transformer testing and maintenance rules

STATUS · **Philippine primary authority · verify exact applicability**

USE ·

Meter acceptance, testing, maintenance and in-service evidence

AUTHORITY · Energy Regulatory Commission

INSTRUMENT ·

Proposed amended smart-meter rules

STATUS · **Draft material · not represented as final law**

USE ·

Monitor smart-meter policy direction and confirm controlling issuance

AUTHORITY · National Privacy Commission

INSTRUMENT ·

Republic Act No. 10173 and implementing resources

STATUS · **Philippine primary authority**

USE ·

Personal-data processing, access, disclosure, retention and security

AUTHORITY · NIST

INSTRUMENT ·

NISTIR 7628 Revision 1

STATUS · **International technical guidance**

USE ·

Risk-based Smart Grid cybersecurity architecture

ACRONYMS AND WORKING TERMS

Use the same language at every decision gate.

AMI	Advanced Metering Infrastructure
AMR	Automated Meter Reading
CIS	Customer Information System
DCU	Data Concentrator Unit
HES	Head-End System
MDMS	Meter Data Management System
RF	Radio Frequency
TOR	Terms of Reference

REVISION HISTORY

What changed and when.

1.0	28 August 2026	Initial public web edition
2.0	30 August 2026	Research, technical-writing and editorial-control upgrade

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LEARNING OBJECTIVES

What you should be able to explain after reading.

01 Distinguish a smart meter, AMR and a complete AMI operating system

02 Trace information and commands from the service point through HES, MDMS and utility workflows

03 Define representative pilot evidence, organizational readiness and responsible rollout gates

04 Explain utility-side and consumer-side value without promising outcomes that the operating model cannot deliver

UNDERSTANDING AMI · LONG-FORM TECHNICAL EDITION

At 10:15 a.m., a meter records fifteen minutes of electricity use. What happens next?

The answer explains why Advanced Metering Infrastructure is not simply a newer meter. It is a chain of measurement, communications, software, decisions and human responsibility. If one link fails, the reading may be accurate and still fail to become useful.

Imagine a household connected to a Philippine electric cooperative. The refrigerator cycles, a fan runs and a rice cooker is switched on. Electricity flows through the service conductors and the meter measures the resulting electrical quantities. At 10:15, the current interval closes. The meter stores a value, associates it with time and waits for the communications schedule.

Nothing visible happens inside the house. The lights stay on. There is no dramatic “smart grid” moment. Yet a carefully designed chain has begun. The reading may travel through neighboring meters in an RF Mesh network, directly through a cellular connection, or first to a data concentrator. It reaches a Head-End System, where the utility can see whether the device communicated successfully. It then moves to a Meter Data Management System, where the interval is checked, stored and prepared for an approved business use.

Later, the same information may help produce a bill, answer a consumer question, reveal unusual loading or support an outage investigation. A different path may carry an authorized service command back toward the meter. Each step changes the risk, the required evidence and the person accountable for what happens next.

THE PROMISE OF THIS PAPER

By the end, you should be able to follow that single reading from the service point to a utility decision, explain what every major platform contributes, recognize where failure can occur and ask the questions that separate a credible AMI program from a meter purchase.

01

THE BIG IDEA

A smart meter is a device. AMI is the system built around it.

Before studying protocols and platforms, establish the boundary of the thing being designed.

Traditional meter reading creates a periodic snapshot. A person visits the service point, reads the register and brings that value into the utility's billing process. The meter may be accurate, but the utility sees only what was collected on the reading date. If access is blocked, handwriting is unclear or the account record is wrong, the process develops an exception.

Automated Meter Reading, commonly called AMR, reduces some of that collection work. A handheld or vehicle-mounted receiver may collect a reading while passing nearby. AMR can improve safety and productivity, but it usually remains centered on obtaining readings rather than maintaining a continuously available two-way operating environment.

Advanced Metering Infrastructure, or AMI, extends the boundary. NIST describes AMI as communications hardware and software, together with system and data-management software, that creates a bidirectional network between advanced metering equipment and utility business systems [1]. The important word is not merely "advanced." It is *infrastructure*.

Infrastructure implies that meters, networks, software, interfaces, security controls and operating teams must function together over time. Installing a smart meter fleet does not prove that billing receives complete data. Receiving interval data does not prove that the utility can explain it to a consumer. Sending a remote command does not prove that the resulting service state was verified safely. AMI value appears only when the chain ends in a controlled action.

FIGURE 1

Manual reading, AMR and AMI solve different operating problems

MANUAL

Periodic human collection

Register → reader → billing

Primary question: what was the cumulative reading on the visit date?

AMR

Automated local collection

Meter → nearby receiver → billing

Primary question: can the reading be collected more efficiently?

AMI

Persistent system interaction

Meter ⇄ network ⇄ platforms ⇄ operations

Primary question: how can trusted data and authorized commands improve utility service?

What this means. The progression is not simply from old meter to new meter. It expands the frequency, direction and operational use of information.

The six layers that must work together

1. **Measurement.**

   The correct meter and configuration convert service conditions into defensible registers, intervals and events.

2. **Communications.**

   The field network moves data and commands with known coverage, latency, availability and lifecycle cost.

3. **Device operations.**

4. **Data operations.**

The HES enrolls devices, schedules collection, receives events and governs supported commands.

The MDMS stores intervals, identifies exceptions and prepares accepted information for business use.

5 Enterprise workflow.

Billing, customer service, outage management, engineering and revenue assurance use the information under approved rules.

6 People and governance.

Named owners control access, resolve exceptions, communicate with consumers and preserve evidence.

PLAIN-LANGUAGE TEST

If removing the meter leaves a description that still includes networks, software, people and procedures, you are probably describing AMI. If the description is only a list of meter features, you are describing a product.

02

FIELD MEASUREMENT

What does an advanced meter actually know?

A meter observes electrical quantities at one service point. It does not automatically know the cause, intent or business meaning behind them.

An electricity meter sits at the boundary between the utility system and a customer installation. It observes voltage and current and uses its measurement design to calculate quantities such as active energy. Depending on the exact model and configuration, it may also record demand, reactive energy, voltage information, current information, power factor, events, alarms and load-profile intervals.

The distinction between a **register** and an **interval** is fundamental. A register is usually cumulative. If a register moves from 12,400 kWh to 12,560 kWh, the difference is 160 kWh, subject to the correct multiplier and register rules. An interval assigns consumption or another quantity to a defined period, such as fifteen, thirty or sixty minutes. Intervals show when use occurred, not only how much accumulated between two reads.

Time therefore becomes part of measurement. A correct value associated with the wrong interval can distort a load profile, a time-based rate or an event sequence. Clock synchronization, time-zone treatment, daylight-saving rules where applicable, interval boundaries and power-loss behavior must be understood and tested. In the Philippine context, the project should state the required time basis rather than inherit a foreign default.

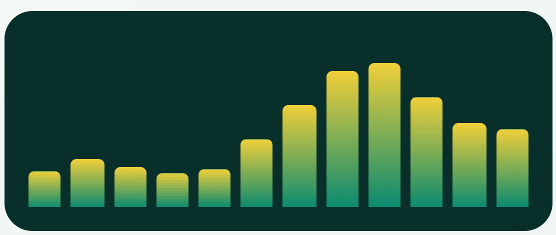
FIGURE 2

A register and a load profile answer different questions

CUMULATIVE REGISTER

12,560.4 kWh

How much has accumulated?



INTERVAL SERIES

12 time-stamped values

When did consumption occur?

What this means. The cumulative register supports the energy difference between reads. The load profile distributes energy across time, revealing the shape of consumption.

Events are indications, not verdicts

Advanced meters can record changes or conditions such as cover opening, reverse energy, magnetic influence, loss of voltage, restoration, clock change or relay operation, depending on the supported model. These are often called tamper events, but that label can be misleading. A meter detects a defined technical condition. It does not establish motive, identify a responsible person or replace an authorized investigation.

For example, a reverse-energy event might result from an incorrect installation, a wiring change, distributed generation, a test condition or unauthorized activity. The utility needs the event definition, timestamp, service configuration, installation evidence and investigation procedure before reaching a conclusion.

FIGURE 3

From physical condition to defensible utility conclusion

1

Condition

Something changes at the service point

2

Detection

Meter rule creates an event

3

Transmission

Event reaches the platform

4

Context

Asset, service and nearby data are checked

5

Investigation

Authorized field or account review

6

Disposition

Confirmed cause and recorded action

What this means. The meter provides evidence at the beginning of the chain. Context, corroboration and authorized investigation determine what the event means.

MODEL-SPECIFIC BOUNDARY

Never assume every advanced meter records the same channels, event definitions, relay ratings or profile depth. The exact offered model, firmware, configuration and current evidence control what Metro Power can claim.

03

IDENTITY AND COMMISSIONING

An accurate reading can still belong to the wrong account

AMI turns asset records into operating infrastructure. The physical meter and the digital identity must describe the same installation.

Before an AMI platform can use a reading, it must know which device produced it and how that device relates to the utility estate. A meter serial number may be associated with a communications identifier, service point, customer account, premise, route, transformer, feeder, meter form, firmware version and configuration record. These relationships are not clerical decoration. They give the reading its business and network context.

Suppose two meters are physically installed at adjacent houses but their account associations are exchanged during migration. Both meters may measure perfectly. Both may communicate at 100 percent. The HES may show healthy devices and the MDMS may receive complete intervals. Yet the customers can receive each other's consumption information. Every technology layer appears successful while the service outcome is wrong.

Commissioning is the controlled process that prevents this kind of failure. It should reconcile the physical serial, communication identity, customer or service-point record, meter configuration, installation location, initial register, clock, interval length and supported functions. Photographs should establish context and readable identity. System records should identify who commissioned the device and when. Exceptions should stop or quarantine the affected account until resolved.

FIGURE 4

The AMI identity chain

1 **Physical meter**	2 **Device identifier**	3 **Service point**	4 **Customer account**	5 **Transformer and feeder**
6 **Enterprise records**				

What this means. Each relationship must be verified. A break can cause billing, privacy, outage or asset-management errors even when communications are excellent.

TEACHING CASE

The pilot with excellent communications and incorrect bills

A 500-meter pilot reports 99.4 percent scheduled-read delivery. During the first billing cycle, seven customers dispute large changes in consumption. Investigation finds that five meters were associated with the wrong service-point records during data migration. The network KPI did not detect the problem because the devices communicated correctly.

The MDMS accepted complete data because the identifiers were valid, although the relationships were wrong.
The billing interface behaved as designed and therefore propagated the identity error.
The corrective action must address field-to-system reconciliation, migration controls and exception sampling, not radio performance.

What the case teaches

End-to-end acceptance must include account and asset identity. A technically successful subsystem can participate in an incorrect overall result.

04

FIELD COMMUNICATIONS

How does a reading travel from thousands of service points?

The best communications architecture is the one that meets the utility's service obligation across its real territory and remains supportable through its lifecycle.

Once the interval is stored, it must reach the utility within the time required by the use case. Billing may tolerate a defined collection window. Outage events may need much lower latency. An on-demand read creates a different interaction from a scheduled batch. Remote service control carries different consequence from passive data collection. “The meter communicates” is therefore not a complete requirement.

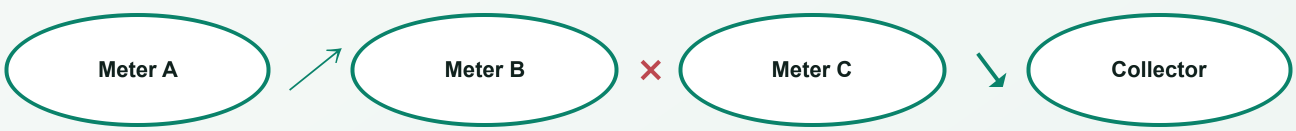
RF Mesh: communication through a field network

In an RF Mesh design, endpoints can communicate through other endpoints or network devices on the way to a collector. A meter that cannot reach the collector directly may use neighboring nodes as a path. The network can recalculate routes when conditions change, but that resilience depends on actual density, radio conditions, device availability and network design.

Mesh is not magic coverage. Sparse rural lines may provide too few alternate paths. Concrete rooms, metal enclosures, terrain, vegetation and interference can weaken links. A dense population can support strong path diversity, while a visually nearby endpoint may still be difficult to reach because of its installation environment.

FIGURE 5

How an RF Mesh route can recover



Alternate route: A → D → E → collector

What this means. When one path is unavailable, the network may form another route if suitable neighboring endpoints exist. The alternate path must still meet latency and delivery requirements.

Cellular: direct reach through a carrier network

A cellular endpoint uses a mobile network to reach the utility platform or an intermediary service. This can simplify field infrastructure for dispersed meters, but it introduces carrier coverage, subscription, SIM management, roaming, data-service continuity and technology-sunset considerations. A signal indication observed during one site visit does not prove sustained data delivery through weather, network congestion and lifecycle changes.

DCU-based and hybrid designs

A Data Concentrator Unit collects information from a local group of meters through a supported field technology and forwards aggregated data through backhaul. This can suit clusters where local communication is practical. The design must examine both halves: endpoint-to-DCU performance and DCU-to-platform backhaul. A concentrator can also become a concentrated dependency if its failure affects many endpoints.

A hybrid design accepts that one service territory may contain several communication environments. Dense towns, dispersed rural consumers and hard-to-reach indoor meters may justify different paths under one operating model. The price of flexibility is additional integration, inventory, training and support complexity.

FIGURE 6

Communication selection starts with service conditions

1

Population

Dense, clustered, dispersed or mixed?

2

Installation

Outdoor, indoor, metal enclosure or difficult access?

3

Use case

Billing reads, events, on-demand interaction or control?

4

Service level

Required delivery, latency, recovery and availability?

5

Lifecycle

Infrastructure, carrier, support, battery and obsolescence?

6

Evidence

Which representative sites and duration will prove it?

What this means. The diagram does not choose a winner. It shows the questions that should lead to a representative pilot and lifecycle decision.

What should the utility measure?

A read-success percentage needs a denominator, deadline and exclusion rule. Does success mean a meter responded at least once in three days, every required interval arrived before billing cut-off, or the account produced an accepted billing determinant without manual work? These are different measures.

Report performance by geography, installation type, network path and consecutive operating period. An overall average can hide a route that will generate recurring truck rolls. Also measure latency, retries, communication exceptions, recovery after interruption and the labor required to keep the result within target.

PLAIN-LANGUAGE TEST

A coverage map says where communication might work. A representative pilot says how well it actually works, how often it fails and what the utility must do when it fails.

05

DEVICE OPERATIONS

The Head-End System is the utility's field-communications control room

The HES does not merely receive files. It maintains the operating relationship between the utility and a large population of devices.

When our household meter is commissioned, the Head-End System, or HES, needs enough information to recognize it, communicate through the supported network and apply the correct schedules and permissions. Depending on the implementation, enrollment can include the device identity, communication address, security material, model, firmware, supported channels, time settings and relationship to a collector or network group.

The HES then orchestrates routine work. It requests or receives scheduled register and interval data, accepts events, records communication status and makes unsuccessful work visible for retry or investigation. An operator may request an on-demand read when customer service needs a current value. Authorized users may initiate supported commands. Device configurations or firmware may be managed through controlled processes. The exact boundary varies by product, so Metro Power must describe the offered platform from current evidence rather than assume that every HES behaves the same way.

FIGURE 7

A day in the life of the HES

00:00 Close daily intervals	**01:00** Begin scheduled collection
03:00 Retry missing devices	**06:00** Publish collection status
10:30 Answer on-demand read	**14:00** Receive voltage event
18:00 Process approved command	**23:00** Reconcile device exceptions

What this means. Routine collection, exceptions and commands overlap. The HES must preserve device state and auditability while managing thousands of asynchronous interactions.

A communication failure is a work item, not an empty cell

If a meter does not deliver its scheduled data, the HES should help distinguish a temporary missed interaction from a persistent exception. The cause may be an endpoint, local power, RF path, collector, carrier, backhaul, credential, configuration or platform issue. Retry policy matters: too little retry can leave recoverable data missing;

excessive retry can consume network capacity or endpoint energy without solving the root cause.

The operating team needs an exception taxonomy, severity, owner and aging rule. A dashboard showing 98 percent success is not enough if the remaining two percent changes every day and no one knows which failures threaten billing. Useful views segment exceptions by geography, device model, network path, duration and business consequence.

Commands require stronger controls than ordinary reads

Reading data and changing field state carry different consequences. A remote disconnect request should not be treated like a routine collection job. The HES should support the utility's authorization model, validate whether the device and command are eligible, preserve the requesting identity and reason, protect the command in transit, record device acknowledgement and reconcile the final state. Chapter 9 follows this sequence in detail.

06

DATA OPERATIONS

The MDMS turns collected meter data into governed utility information

Receiving a value proves that communication occurred. It does not prove that the value is complete, correctly timed or suitable for billing.

The Meter Data Management System, or MDMS, receives meter information from the HES or another controlled interface and maintains the long-term data needed by utility processes. Its job commonly includes interval storage, data-quality status, validation, estimation, editing, aggregation and publication to billing, analytics, customer systems or other authorized consumers.

HES and MDMS boundaries differ between solutions. Some head-end products perform initial validation. Some MDMS products manage selected device relationships. The utility should not resolve this variation by debating generic definitions. It should create an interface responsibility matrix that names the system of record for every important object and the platform responsible for every rule.

FIGURE 8

HES and MDMS answer different operational questions

HES ASKS

Can I operate this device?

Is it enrolled and reachable?

Did the schedule complete?

What event or status arrived?

Was the command acknowledged?

Which network exception exists?

Identity · timestamp · unit
quality · reason · audit

MDMS ASKS

Can the utility use this data?

Is the interval complete?

Does it pass approved rules?

How is a gap handled?

Which value is billing-ready?

Who changed what and why?

What this means. The controlled interface must carry identity, time, units, quality and audit information. A reading stripped of context can be numerically correct and operationally unsafe.

Validation, estimation and editing

Validation tests data against approved conditions. A rule might check whether every expected interval exists, whether timestamps overlap, whether a register change is plausible or whether a value conflicts with device status. A failed rule should create a quality condition or exception, not silently transform the reading.

Estimation produces a substitute value under an approved method when required information is missing or unusable. The method might use nearby intervals, a historical profile or another rule accepted by the utility. An estimate must remain identifiable as an estimate. It should not be presented as if the meter produced it.

Editing is an authorized change to data or status. It needs a reason, user, time, before-and-after value and approval path appropriate to the consequence. Together these processes are called VEE. Their purpose is not to manufacture clean-looking data. Their purpose is to make uncertainty visible and handle it consistently.

FIGURE 9

VEE is a controlled decision tree

Receive interval

↓

Identity and time valid?

NO → quarantine and investigate

YES → check completeness

↓

Complete and plausible?

NO → exception, approved estimate or edit

YES → retain measured status

↓

Publish value + quality + audit

What this means. Data that fails a rule is routed to an approved disposition. The process preserves the original value and the reason for any estimate or edit.

WORKED VEE CASE

Four missing intervals in a residential load profile

A meter is configured for fifteen-minute intervals, so 96 intervals are expected in a full day. The MDMS receives 92. Intervals from 14:00 through 14:45 are missing, but the cumulative register before and after the gap is available.

Validate the context. Confirm device identity, clock, interval schedule, register continuity and whether a power or communication event explains the gap.

Classify the consequence. Determine whether the data is needed for information only, time-based billing, settlement or another controlled use.
Apply the authorized rule. If estimation is permitted, use the approved method and ensure the four values reconcile with the known register difference where required.
Preserve quality. Mark the intervals as estimated, retain the original gap and record method, user or automated process, and time.
Address the cause. Estimation may complete the business process, but repeated gaps remain a communications or device exception.

What the case teaches

VEE protects a decision from incomplete data. It does not excuse the system from correcting recurring collection failures.

07

UTILITY OPERATIONS

AMI creates value only when a department changes what it does

A capability becomes a benefit after trusted information reaches an accountable workflow and improves a measurable outcome.

The US Department of Energy's Smart Grid Investment Grant review found that participating utilities used AMI for remote metering and billing services, customer support, outage management and other operating improvements [3]. Those results are evidence that AMI can create value under suitable conditions. They are not a promise that the same result will appear automatically in another utility or country.

Metro Power should therefore describe value as a chain: *information → decision → action → measured outcome*. “Remote reading” is a capability. Fewer manual visits is a possible operational effect. The financial benefit depends on the baseline route, labor arrangement, remaining exception visits, system cost and actual process change.

FIGURE 10

How AMI can support six utility functions

Billing

Validated registers and intervals

Fewer estimates, faster exceptions

Requires identity, VEE and billing integration

Customer service

Usage and event history

Clearer investigation

Requires understandable tools and trained staff

Meter operations

Device status and events

Targeted field work

Requires triage rules and closure evidence

Outage response

Loss and restoration indications

Improved situational awareness

Requires event correlation, topology and OMS workflow

Engineering

Interval load and voltage data

Better-informed studies

Requires sufficient coverage, quality and asset mapping

Revenue assurance

Exceptions and technical indications

Prioritized investigation

Requires fair procedures and corroborating evidence

What this means. The final column is essential. Without the operating condition, a possible benefit becomes an unsupported promise.

Outage information needs correlation

A meter may send a last-gasp indication as its supply disappears and a restoration indication when power returns. One event does not define an outage. The utility must correlate events in time and geography, relate them to network topology and distinguish loss of supply from device removal or communications behavior. When integrated well, AMI can help confirm affected areas and restoration. It does not replace protection systems, SCADA or field safety procedures.

Load information expands engineering visibility

Monthly consumption hides the shape of demand. Interval data can show diversity, coincidence, peak timing and changing service behavior. When meter-to-transformer and feeder relationships are reliable, engineers can study groups of customer profiles against network assets. However, voltage or load information from a revenue meter must be interpreted within the accuracy, sampling and configuration of the exact device. It should not be presented as a replacement for specialized power-quality instrumentation unless evidence supports that use.

OPERATING CASE

A last-gasp cluster that does not become an outage ticket

Twenty-eight meters on one feeder report loss-of-power events within ninety seconds. The HES receives them, but the customer-information and outage systems are not integrated.

The network successfully delivered useful field evidence.

No operating benefit appears because the event has no automated or staffed route to outage assessment.

A dispatcher who cannot see the cluster may still wait for customer calls.

The project must define correlation, topology, ownership and escalation before claiming outage-management benefit.

08

CONSUMER EXPERIENCE

What should AMI mean to the person paying the bill?

Consumers do not experience architecture diagrams. They experience bills, interruptions, explanations, notifications and the fairness of utility decisions.

For a household, AMI can support more reliable remote reads, fewer estimated bills, clearer consumption history, earlier visibility of unusual use and faster resolution of some service concerns. Access to energy-use information can help consumers understand and manage bills, especially when the information is timely and explained in useful units [4] .

But interval data does not explain everything. A spike between 18:00 and 19:00 shows that consumption increased in that period. It does not prove which appliance caused it. A voltage event does not independently establish the condition of every circuit inside the house. A remote read does not prove that the account mapping is correct. Good customer communication separates observation, likely explanation and confirmed conclusion.

FIGURE 11

The consumer journey from question to resolution

1 **Question** Why did my bill change?	**2** **Evidence** Validated reads and interval history
3 **Explanation** Units, period, comparison and limitations	**4** **Action** Customer check or utility investigation
5 **Resolution** Correction, confirmation or monitored follow-up	

What this means. AMI improves service when information is understandable, support is reachable and the final resolution is recorded.

Before AMI and after AMI

BEFORE

A high bill arrives

The consumer sees one billing-period total. Investigation may depend on a field read, prior bills and appliance discussion.

WITH A WELL-OPERATED AMI

The same question has more evidence

Customer service can review validated intervals, read quality, events and timing, then explain what the data supports and what still requires investigation.

Customer trust also depends on privacy and access. Interval data can reveal patterns of occupancy and activity. The utility should define who may access it, what is shown to third parties, how consent and disclosure are controlled, how long information is retained and how a consumer can challenge an incorrect association. Digital channels should not remove practical service routes for customers who lack reliable internet access.

FOR THE CONSUMER

AMI should make the utility better able to explain and act. It should not make an automated conclusion harder to question.

09

REMOTE ACTION AND CYBERSECURITY

Two-way capability requires deliberate authority

When a system can affect customer service remotely, security and operating governance become part of electrical service quality.

A remote disconnect or reconnect can reduce some field visits and shorten selected service processes, but it also concentrates consequence. An incorrect account association, compromised credential, unsafe site condition or ambiguous final state can affect a consumer directly. The process should begin with an authorized business request, not with a button in the HES.

FIGURE 12

A controlled remote service-command sequence

1	**Approved request**	Reason, account and authority
2	**Identity check**	User, role, device and service point
3	**Safety check**	Eligibility, site condition and utility rule
4	**Protected command**	Secure path and anti-replay controls
5	**Device response**	Acknowledgement, rejection or timeout
6	**State verification**	Relay and service status reconciled
7	**Audit closure**	Customer record, exception and evidence

What this means. Acknowledgement means the device received or processed a command under its protocol. The utility still needs to reconcile actual final state and the customer-service record.

NIST IR 7628 provides a risk-based approach to Smart Grid cybersecurity and recognizes that interconnected grid architectures require controls tailored to the system's characteristics, risks and vulnerabilities [2] . DOE guidance likewise addresses AMI security across planning, procurement, rollout and assessment [5] . These sources are valuable architecture guidance, not automatic Philippine compliance.

Practical controls include unique device and user identities, least privilege, strong authentication, credential lifecycle, protected communications, secure software and firmware updates, logging, monitoring, backup, recovery, incident response and controlled supplier access. The utility should know how certificates or keys are created, provisioned, renewed, revoked and recovered. “Encrypted” is not a complete security architecture if privileged accounts are shared or vendor access is uncontrolled.

FIGURE 13

Security follows the AMI lifecycle

1 **Specify risks and controls**	2 **Qualify product and supplier**	3 **Provision identities and credentials**	4 **Monitor operation and changes**	5 **Respond and recover**
6 **Decommission and revoke**				

What this means. Security decisions made during procurement affect commissioning, operations, incident response and eventual replacement.

TRUST BOUNDARY

Remote service functionality should remain disabled or restricted until account identity, authorization, safety procedures, customer policy, command protection, final-state verification and audit evidence are accepted together.

A pilot should try to discover why rollout could fail

A demonstration proves that selected equipment can work somewhere. A decision pilot tests whether the complete operating model can work across representative conditions.

A credible pilot starts with decisions, not quantities. What uncertainty must be reduced before the utility commits to scale? The answer may involve communication coverage, billing integration, meter fit, customer acceptance, remote operations, field productivity, cybersecurity, support capacity or economic assumptions.

The meter population should represent the conditions that will influence rollout: dense and sparse areas, difficult indoor installations, long rural feeders, different service configurations, known power-quality conditions, varied customer segments and realistic field access. Selecting only convenient locations biases the result toward demonstration success.

FIGURE 14

A representative 2,000-meter pilot portfolio

700 **Dense town** Network capacity and billing volume	**500** **Town edge** Mixed density and construction
500 **Rural feeder** Long distance and sparse paths	**300** **Difficult sites** Indoor, enclosed or obstructed

What this means. This is an illustrative teaching design. The actual allocation should follow the utility's population, geography, use cases and risk register.

Acceptance metrics need operational meaning

Scheduled-read delivery

Required reads received inside the defined window ÷ scheduled reads. State exclusions and report by segment.

Interval completeness

Valid intervals available ÷ intervals expected. Separate late, missing, duplicate and rejected data.

End-to-end billing yield

Accounts producing accepted determinants without manual intervention ÷ accounts due for billing.

Exception workload

Open communication, data, device and account exceptions by age, severity and owner.

Command completion

Authorized commands with reconciled final state ÷ commands initiated, with every failure investigated.

Customer outcome

Complaints, repeat contacts, corrected bills and service time compared with a controlled baseline.

WORKED PILOT CASE

Why 98.5 percent network delivery can produce only 96.3 percent billing yield

A 10,000-meter pilot receives 9,850 scheduled reads. Billing requires determinants for 9,900 accounts. Of the received reads, 180 fail identifier mapping, 95 fail validation and 40 arrive after cut-off.

Network delivery = 9,850 ÷ 10,000 = **98.5 percent**.

Potential on-time usable reads = 9,850 − 180 − 95 − 40 = **9,535**.

End-to-end billing yield = 9,535 ÷ 9,900 = **approximately 96.3 percent**.

The gap cannot be solved by radio optimization alone. Identity, validation and cut-off handling require correction.

What the case teaches

Accept the business outcome, not only the subsystem KPI.

11

ROLLOUT AND ECONOMICS

Scale only what the utility can operate and afford through its lifecycle

The business case must connect verified baselines to achievable operating changes and carry cost, degradation and uncertainty through time.

AMI cost extends beyond meters. It can include communications infrastructure, carrier service, HES, MDMS, integrations, cybersecurity, installation, data migration, customer communication, training, support, software maintenance, hosting, field remediation, spares, replacements and decommissioning. Procurement that compares only meter price conceals the architecture that makes the meter useful.

Benefits also need disciplined treatment. Avoided manual reads may be a cash saving, a redeployment opportunity or an avoided future cost depending on the utility's staffing and contracts. Faster connection can improve service without producing direct revenue. Better loss investigation can create value only when the utility acts and confirms a recoverable condition. These categories should not be mixed.

FIGURE 15

The AMI value case connects baseline, change and continuing cost

VERIFIED BASELINE

Current quantity × current cost

Reads, visits, exceptions, complaints or losses

×

ACHIEVABLE CHANGE

Adoption × performance × timing

Supported by pilot and operating capacity

−

CONTINUING COST

Network + platform + support

Including replacements and remediation

=

NET EFFECT

Cash, avoided cost and service value

Reported separately and sensitivity tested

What this means. A feature has no financial value until an operating change is defined. Benefits and costs should be modeled by year and tested under conservative assumptions.

WORKED ECONOMIC CASE

Avoiding double counting in a 20,000-meter program

The business case claims savings from reduced reading labor, fewer truck rolls, faster billing, lower complaints and improved loss detection.

Establish the current annual quantity and fully loaded cost for each activity.

Identify overlap: a reading visit and a truck roll may describe the same avoided activity.

Apply the pilot's achievable exception rate, not a claim of eliminating all field work.

Delay benefits until migration, integration and operating adoption actually occur.

Subtract recurring communications, platform, support, cybersecurity and replacement costs.

Separate verified cash impact from service improvement and unproven upside.

The rollout gate

Moving to scale should require sustained technical results, closed critical integration defects, manageable exception workload, trained owners, accepted cybersecurity controls, customer readiness, supplier support, a funded remediation plan and an approved total-cost model. Schedule pressure is not evidence. An unresolved pilot weakness becomes a multiplied rollout weakness.

12

TOR AND PROCUREMENT

Procure a supportable operating capability, then prove it end to end

A good TOR translates desired outcomes into system boundaries, responsibilities, evidence and acceptance tests.

The TOR should begin with the utility's use cases and current environment. It should define the meter population and service configurations, required measurements and events, communications territory and performance, HES and MDMS responsibilities, enterprise interfaces, cybersecurity, data rights, customer processes, implementation, training, warranty, support, obsolescence and exit arrangements.

Each requirement should map to evidence. A physical rating may be supported by a current datasheet and certified test evidence. An interoperability requirement may need documentation plus a witnessed interface test. A territory-wide communications claim requires a representative pilot. A billing outcome requires end-to-end acceptance. Evidence should match the exact offered model, firmware, configuration and system release.

Before bidding

Control the current TOR, use cases, population, architecture, interfaces and open evidence.

Before award

Resolve deviations, responsibilities, commercial boundaries, data rights and acceptance method.

Before production

Freeze models, firmware, configurations, accessories, drawings, cybersecurity and test plan.

Before installation

Approve survey, identity migration, field procedure, training and customer communication.

Before go-live

Pass meter, network, HES, MDMS, integration, command, security and workflow tests.

Before scale

Prove sustained KPIs, exception capacity, support readiness and total lifecycle economics.

Before final acceptance

Before exit or replacement

Deliver as-builts, configuration records, credentials governance, warranty, spares and recovery.

Preserve data, revoke access, control disposal and maintain service continuity.

PHILIPPINE APPLICATION

The electric cooperative or utility, its authorized engineers and the relevant Philippine authorities determine controlling requirements. Confirm the current TOR, applicable ERC and NEA considerations, NTC requirements for communications equipment where applicable, privacy obligations, electrical and local permits, procurement rules and approval authority. International references in this paper provide technical context only.

Questions a decision-maker should now be able to ask

Which utility decisions are expected to improve, and what baseline will prove improvement?

What exact data and commands travel across every interface?

Which platform owns device state, data quality, billing determinants and audit records?

How will difficult territories and installations be represented in the pilot?

What happens when communications, data, credentials or commands fail?

What will a household consumer see, understand and be able to challenge?

Which claims are proven for the exact offered models and which still require principal confirmation?

What evidence releases the project from pilot to rollout and from rollout to final acceptance?

THE COMPLETE CHAIN

AMI succeeds when a trustworthy measurement becomes a responsible decision

Return to the household at 10:15 a.m. The meter closes an interval. The field network carries it. The HES operates the device relationship. The MDMS protects data quality. An enterprise workflow turns the accepted information into billing, service or engineering action. People govern access, resolve exceptions and explain the result.

No single component creates that outcome. The purpose of AMI architecture is to make every link explicit, testable and accountable. That is also the purpose of a responsible pilot and a defensible TOR.

NUMBERED REFERENCES

Primary sources used in this edition

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US DOE, 2016. Deployment evidence for metering, billing, customer and outage applications.

Customer Rates and Data Access

US EPA. Customer access to energy-use information and related implementation considerations.

Advanced Metering Infrastructure Security Considerations

US DOE. Security planning, procurement, rollout and assessment.

NIST Framework and Roadmap for Smart Grid Interoperability Standards, Release 4.0

NIST, 2021. Interoperability, communication pathways, cybersecurity and testing context.

AMI System Security Requirements

US DOE. Platform-independent AMI security requirements.

This is an original Metro Power educational synthesis. Figures and worked examples are original unless otherwise stated. Illustrative data is not a project benchmark. Confirm current Philippine requirements, controlling utility specifications and exact product evidence before project use.

SECOND-EDITION TECHNICAL REVIEW

Second-edition evidence review: from data availability to operating value

An AMI program should prove not only that data arrived, but that trusted information reached an accountable workflow and improved a defined decision.

01

Network read rate, HES ingestion and billing yield answer different questions. Report each boundary separately so a strong subsystem metric cannot hide an end-to-end failure.

02

Missing intervals, stale device status, unmatched identities, rejected billing determinants and unresolved commands need age, severity, owner and closure evidence.

03

A feature creates value only when a trained team uses it through an approved process. Model adoption timing, exception workload and recurring platform cost alongside technical performance.

AMI evidence should move from component behavior to customer and utility outcomes.

Decision boundary
Meter to field network

Minimum evidence
Timestamped interval and event delivery by territory

Common false conclusion
One successful remote read proves coverage

Responsible owner
AMI network owner

Decision boundary
Network to HES

Minimum evidence
Scheduled delivery, latency, retries and device state

Common false conclusion
HES visibility proves billing readiness

Responsible owner
HES operations

Decision boundary

HES to MDMS

Minimum evidence

Mapped identifiers, units, timestamps and exception codes

Common false conclusion

Interface connectivity proves data quality

Responsible owner

Data operations

Decision boundary

MDMS to billing

Minimum evidence

Accepted determinants, cut-off handling and corrections

Common false conclusion

High read rate equals correct bills

Responsible owner

Billing owner

Decision boundary

Utility to consumer

Minimum evidence

Clear explanation, dispute path and closure record

Common false conclusion

More data automatically creates trust

Responsible owner

Customer service

WORKED EVIDENCE CASE

A benefit claim that survives an evidence review

A utility expects AMI to reduce 120,000 annual manual reads. The pilot still requires field work for 4 percent of accounts, deployment reaches 60 percent in Year 1, and the field team redeploys rather than removes all reading labor.

- Calculate addressable reads at each rollout stage, not at final population from day one.
- Apply the observed exception rate and retain field work for unresolved or inaccessible accounts.
- Separate cash reduction, avoided future hiring and staff redeployment.
- Subtract communications, platform, support, cybersecurity and exception-handling costs.
- Report service and operational improvements separately from cash savings.

DECISION LESSON

A defensible value case states what changes, when it changes and whether the result is cash, avoided cost or service improvement.

FAILURE-MODE REVIEW

What to challenge before commitment.

Correct reading assigned to the wrong service point

Evidence: Population reconciliation and exception closure

Incorrect demand, load-shape or billing determinant

Evidence: Time-source, timezone and cut-off tests

Weak command accountability and elevated cyber consequence

Evidence: Named access, role review and audit log

Rollout performance is overstated

Evidence: Representative segment results and remediation plan

VERIFIED CONTEXT

ERC meter and instrument-transformer rules control relevant testing and maintenance questions

Republic Act No. 10173 governs personal-data processing in the Philippines

VERIFY FOR THE PROJECT

Controlling smart-meter issuance and utility-specific approval path

NTC applicability for the exact radio equipment and configuration

Procurement, franchise, rate-recovery and consumer-process requirements for the project

PROJECT GATE

Proceed only when the current TOR, exact product evidence, authority pathway, pilot acceptance plan and operating owners agree.