



Australian Energy Market Commission

**RULE**

## **RULE DETERMINATION**

**NATIONAL ELECTRICITY AMENDMENT  
(INTRODUCTION OF METERING  
COORDINATOR PLANNED  
INTERRUPTIONS) RULE**

**NATIONAL ENERGY RETAIL  
AMENDMENT (INTRODUCTION OF  
METERING COORDINATOR PLANNED  
INTERRUPTIONS) RULE**

### **PROPONENT**

The Chair of the Competitive Metering Industry Group

21 MAY 2020

## INQUIRIES

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## ABOUT THE AEMC

The AEMC reports to the Council of Australian Governments (COAG) through the COAG Energy Council. We have two functions. We make and amend the national electricity, gas and energy retail rules and conduct independent reviews for the COAG Energy Council.

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## SUMMARY

- 1 The Australian Energy Market Commission (Commission) has made a more preferable final rule (final rule) that amends the National Electricity Rules (NER) and National Energy Retail Rules (NERR) to provide customers with shared fusing at their premises with greater certainty on when their electricity meter will be installed.
- 2 Under the final rule, where the installation of a meter requires an interruption to other customers, retailers will be required to provide a meter installation for customers by a date agreed with the customer, or if no timing can be agreed, then the retailer will need to install the meter within 30 business days of discovering the shared fusing. If the retailer requires a distribution network service provider (DNSP) to carry out a planned interruption the retailer must agree the installation date with the customer and the DNSP, or if no timing can be agreed, within 30 business days of discovering the shared fuse.
- 3 Similarly, the final rule introduces a 30 business day installation timeframe requirement on the metering coordinator (MC) to rectify metering malfunctions where the rectification could not be completed without interrupting supply to other customers, unless an exemption (from the timeframe obligation) was sought from and granted by the Australian Energy Market Operator (AEMO).
- 4 Where a retailer has requested a DNSP to carry out a distributor planned interruption to enable a retailer or an MC to effect a new meter installation or replacement, the final rule requires the DNSP to carry out the interruption on the date agreed with the retailer and customer, or if no date is agreed within 25 business days.
- 5 The final rule also contains minor changes to the NERR to make it clear that a retailer is able to interrupt supply to any of its own customers for the purpose of installing, maintaining, repairing or replacing metering equipment, not just the customer receiving the new meter.
- 6 In addition, the final rule amends the requirements to be covered within the AEMO's metrology procedure to require DNSPs to record shared fusing information as soon as practicable after becoming aware of the shared fuse arrangements. To facilitate the collation of shared fusing information, retailers and metering parties would be required to notify the DNSP as soon as practicable of any shared fusing they have identified. This information is not required to be audited. The final rule includes a transitional rule for AEMO to update its metrology procedures accordingly. This change will progressively provide more information to MCs and retailers indicating potential shared fusing prior to attending sites to carry out planned meter installations, potentially reducing the number of site visits required with associated cost and time savings for customers.
- 7 Finally, an information provision requirement is also included in the final rule with the retailer required to indicate in its planned interruption notification whether the interruption is for the purpose of installing, maintaining, repairing or replacing the notified customer's meter, or another customer's meter.

### BOX 1: CHANGES BETWEEN THE DRAFT AND FINAL RULE

The final rule largely retains the content and form of the draft rule. However, a small number of changes have been made between the draft and final rule to enhance the operation of the rule and to clarify its intent. These are summarised below:

- **Customers have the ability to agree an installation date.** The main change under the final rule is that customers are now able to agree to a specific date for metering installation to be carried out. If no date is agreed with the customer, the timeframes under the final rule apply, that is, the retailer must arrange for the installation of the meter within 30 business days of discovering the shared fuse. If the DNSP is required to carry out a planned interruption to enable the meter installation to be carried out, the retailer will need to agree the specific date with both the customer and the DNSP. If no date is agreed with the customer and the DNSP, the retailer must arrange for the installation of the meter within 30 business days of discovering the shared fuse. This change aligns with the rule requirements introduced under the *Meter installation timeframes* rule change, and provides customers with greater choice. The Commission considered that providing customers and retailers with the flexibility to agree on a date range is likely to improve efficiency in meter installations.
- **Revised rule commencement date — installation timeframes.** The provisions in the final rule relating to meter installation timeframes for retailers and MCs, and the timeframe for DNSPs to carry out planned interruptions to enable the meter installation will now both commence on 21 July 2020. This change was made to allow retailers, MCs and DNSPs to make any process changes required to comply with the new timeframes, and to enable DNSPs to reduce any current work backlogs.
- **Revised rule commencement date — changes to model terms and conditions and AEMO procedures.** Changes required to retailer's and DNSP's customer contracts, due to changes to the model terms and conditions in the NERR, as well as NER amendments to the requirements of the metrology procedure and MSATS procedures, will now commence on 21 August 2020. The Commission is cognisant that the required amendments to customer contracts may take time for each retailer to put in effect.
- **AEMO's timeframe to effect procedural changes.** Further, the commencement date for changes relating to the metrology procedure, which will necessitate both changes to AEMO's metrology procedure, and AEMO's systems and processes have been extended. Under the final rule, AEMO will be required to implement the changes as soon as reasonably practicable, but no later than 30 March 2022. This change will allow AEMO to both undertake consultation, and to align the changes with other standing data changes already scheduled. Additionally, this will allow market participants to align these changes with other changes also being made.
- **Requirement for MC to include details of shared fusing on metering malfunction notice.** This requirement has been removed from the final rule as the

Commission considers that the cost of this obligation will outweigh the benefits if market participants are able to access information on shared fusing in MSATS.

- **Drafting improvements - NER cl. 7.8.10.** Some minor drafting amendments have been made to NER cl.7.8.10 to simplify it as the result of civil penalty provisions being adopted from a recommendation in a previous rule change. There is no policy difference as a result of these amendments.

## Context

### Metering timeframes

8 Under the NER, retailers are responsible for arranging metering services for small customers.<sup>1</sup> Retailers must appoint an MC for each of their small customers' connection points<sup>2</sup> and obtain a national metering identifier (NMI) for each meter.<sup>3</sup> In general, the retailer provides instructions to the MC for any metering work needed by the customer.

9 The MC has overall responsibility for all issues related to the metering installations for which it has been appointed. The MC appoints a metering provider (MP) for each connection point<sup>4</sup> to provide, install and maintain the meter installation.

10 There are timeframes in the NER under which an MC must arrange for a small customer's faulty meter to be repaired or replaced, as well as metering installation timeframes for retailers to install meters for new connections and meter exchanges. For customer initiated meter replacements there are currently a number of exceptions from meeting the metering installation timeframes. One of these exceptions relates to where the installation of a new meter cannot occur without interrupting the supply to another customer. Therefore, there are currently no timeframes for customers with shared fusing.

### Planned interruption requirements

11 In order for the MC to carry out a meter replacement, a planned interruption to the electricity supply must occur. Under the NERR there are retailer planned interruptions and distributor planned interruptions. Retailers are able to arrange for an interruption to their customer's electricity supply without the involvement of the distributor (a 'retailer planned interruption') where the interruption:

- is for the purposes of installing, maintaining, repairing or replacing an electricity meter;
- and

1 This is part of their responsibility as the financially responsible market participant (FRMP).

2 A large customer may appoint its own MC.

3 This involves applying to the distribution network service provider (DNSP) for a NMI and providing it to the MC within five business days of receiving it.

4 Other than for a connection point with a type 7 meter installed which are used for unmetered connections, for example, street lights.

- does not involve either the distributor effecting the supply interruption or interrupting the supply of electricity to a customer that is not the customer of the retailer arranging the interruption.

12 In other circumstances a distributor planned interruption must be arranged.

### The rule change request and proposed rule

13 The Chair of the Competitive Metering Industry Group (CMIG) submitted a rule change request to the Commission seeking to reduce delays in meter installation for customers where the customer's supply cannot be interrupted without interrupting the supply of another customer.

14 The Chair of CMIG sought to resolve the issues by proposing a rule (proposed rule) to amend the NER and the NERR to allow for a new category of supply interruptions, *Metering Coordinator planned interruptions*. The proponent considers that MCs should be allowed to carry out supply interruptions for the purposes of installing, maintaining, repairing or replacing an electricity meter.

15 Under the proposed rule, MCs would be able to interrupt supply of the customer who has requested metering work, as well as interrupting supply to any other electricity customers as required to enable the planned metering work to be completed, without the need to utilise either a retailer planned interruption or a distributor planned interruption. Under the proposed solution, the MC's ability to interrupt supply would be made subject to the MC obtaining the affected customers' consent or providing four business days' notice of the interruption. The proponent considered that if their rule change solution is adopted it will, where possible, give the MC via the MP, the ability to obtain consent from other customers on the shared service while the meter installation is taking place.

16 The same obligations relating to planned interruption notifications which currently apply to retailers were proposed under the proponent's rule change request to apply to MC planned interruptions, including a recommendation that similar penalties should apply to the MC for non-compliance with the proposed obligations.

17 The Commission considers that the rule proposed by the CMIG introduces a number of risks for customers, particular in the area of consumer protections. Additionally, the Commission considers that the rule proposed by the CMIG only partially solves the issue.

### Consumer protection issues

18 One of the key issues is the lack of any contractual relationship between the MC and both the customer whose meter is being installed and other customers whose supply will be interrupted. Customers therefore have inadequate consumer protections and limited recourse if supply is not restored within timeframes or if planned interruption notification requirements are not followed. This includes a lack of access to energy ombudsman schemes should they not be able to resolve an issue directly with the MC. The Commission considers access to independent dispute resolution to be a key consumer protection.

19 As customers do not have a direct relationship with MCs, customers will generally not be

aware of the MC. This increases the risk that customers may ignore, or be confused by, planned interruption notices from MCs and may therefore not be prepared for the planned supply interruption.

20 Some MCs are likely to have less access to customers' data and life support information than retailers or DNSPs. Life support information is maintained by retailers and DNSPs, with MCs needing to access life support information via either the customer's retailer or DNSP.

### **The proposed rule only provides partial resolution of the issue**

21 The Commission considers that the proposed rule would only provide partial resolution for delays in meter installation where there is shared fusing. MCs would still generally not know about shared fusing until the site visit to attempt the meter installation as the proposed rule does not require information on shared fusing to be collected and shared with other market participants. Further, site visits and the associated costs once shared fusing is discovered would only be saved if the adjacent affected customers are home at the time of the installation attempt, and are willing to consent to the supply interruption on-the-spot, which is unlikely in many cases.

22 Lastly, there are a number of other isolation issues, for example, in some jurisdictions the MP does not have the authority to operate certain isolation devices, that the proposed rule would not solve.

### **The alternative rule proposed by some stakeholders**

23 In submissions to the draft determination, a cohort of stakeholders, including the rule proponent, proposed an alternative solution to both the rule proposal, and the draft determination. The proposed alternative was that DNSPs be required to install separate isolation devices for each of the premises with shared fusing at the first supply interruption to install a new meter. To assist in the analysis of the alternative proposal, the Commission engaged an independent consultant, Arup, to carry out a technical assessment of the proposal, investigating the costs, how the solution could be implemented and practical application and complexities of the proposal.

24 Having regard to Arup's investigation, stakeholder feedback, as well as the Commission's own analysis, the Commission has decided not to adopt the alternative solution in the final rule. The rule change has raised a number of issues in relation to responsibilities and accountabilities for meter panels, isolation devices and similar assets. A holistic approach to the consideration of these issues is more appropriate, rather than a rule change request such as this one, which has a limited scope. The Commission encourages industry namely retailers, metering coordinators and DNSPs to consider practical and cost effective ways of coordinating to better address the needs of consumers. Once an agreed model has been developed, consideration can be given as to further rule changes if required.

### **Benefits of the final rule**

25 The Commission is of the view that the final rule meets the National Electricity Objective (NEO) and the National Energy Retail Object (NERO) and satisfies the consumer protections

test. Issues relating to contractual relationships with the impacted customers are addressed by the final rule, and recourse is available to customers should the retailer or distributor not comply with its obligations in the NER and NERR. Further, the final rule minimises risks to customers using life support equipment.

- 26 The final rule provides certainty of installation timeframes for customers with shared fusing. Further, installation delays should be reduced with the introduction of a requirement for retailers to carry out meter installation where there is shared fusing within a specified time. Retailers' timeframe obligations are further supported by a new obligation on DNSPs to carry out a planned interruption, where requested, within a specific timeframe to facilitate the installation of the meter. This should allow customers who have requested a new meter to access new services to manage their use and cost in a more efficient timeframe than under the current rules. Further, reducing delays in the installation of advanced meters will assist in the development of the energy services market.
- 27 The final rule also seeks to improve consumer outcomes over time by requiring AEMO to include in its metrology procedures obligations on DNSPs to record information that they become aware of regarding the location of shared fuses as a result of retailers, MCs and other relevant parties informing the DNSP of shared fusing, or as identified as a result of their own work.
- 28 The Commission acknowledges in some circumstances it may be more cost and time efficient for MCs to carry out planned interruptions or for DNSPs to be required to install separate isolation devices. However, on balance after assessing the benefits and risks of the more preferable final rule compared to the proposed rule and the alternative solution proposed in submissions to the draft determination, the Commission considered that the more preferable final rule better contributes to the NEO and NERO (including the consumer protections test).

## Commencement of the final rule

- 29 The provisions in the final rule relating to meter installation timeframes for retailers and MCs, and the timeframe for DNSPs to carry out planned interruptions to enable the meter installation will commence on 21 July 2020.
- 30 This is a change from the draft rule, with the Commission considering that the implementation timeframe should be extended to allow retailers, MCs and DNSPs to make any process changes required to comply with the new timeframes, and to enable DNSPs to reduce any current work backlogs.
- 31 Changes required by the final rule to retailer's and DNSP's customer contracts required by changes to the model terms and conditions in the NERR will commence on 21 August 2020. The Commission is cognisant that the required amendments to customer contracts may take time for each retailer to put in effect.
- 32 Under the final rule, AEMO will be required to have implemented the changes relating to the requirement to record shared fusing information by a date no later than 30 March 2022. This change will allow AEMO to both undertake consultation, and to align the changes with other standing data changes already scheduled. Additionally, this will allow market participants to

align these changes with other changes also being made.

## CONTENTS

<b>1</b>	<b>The proponent's rule change request</b>	<b>1</b>
1.1	The rule change request	1
1.2	Current arrangements	1
1.3	Rationale for the rule change request	5
1.4	Solution proposed in the rule change request	5
1.5	Relevant background	6
1.6	The rule making process	8
<b>2</b>	<b>Final rule determination</b>	<b>10</b>
2.1	The Commission's final rule determination	10
2.2	Rule making test	10
2.3	Assessment framework	11
2.4	Summary of reasons	12
2.5	Changes between the draft and final rule	19
<b>3</b>	<b>Analysis of the proposed rule</b>	<b>21</b>
3.1	Meter installation delays due to shared fusing	21
3.2	CMIG's view	21
3.3	Stakeholder views - submissions to the consultation paper	22
3.4	Commission's analysis and draft determination	28
3.5	Stakeholder views in response to the draft determination	31
3.6	The Commission's final position	32
<b>4</b>	<b>The more preferable rule</b>	<b>36</b>
4.1	Commission's draft rule and draft determination	36
4.2	Stakeholder views in response to the draft determination	40
4.3	The Commission's final position	50
<b>5</b>	<b>Alternative solution considered</b>	<b>63</b>
5.1	An alternative solution proposed by a cohort of stakeholders	63
5.2	Stakeholder views	64
5.3	Independent consultants report	68
5.4	The Commission's views and final position	71
	<b>Abbreviations</b>	<b>74</b>
	<b>APPENDICES</b>	
<b>A</b>	<b>Summary of other issues raised in submissions</b>	<b>75</b>
<b>B</b>	<b>Legal requirements under the NEL and NERL</b>	<b>76</b>
B.1	Final rule determination	76
B.2	Power to make the rule	76
B.3	Commission's considerations	76
B.4	Civil penalties	77
B.5	Conduct provisions	78
	<b>TABLES</b>	
Table 5.1:	Weighted average costs of the proposed alternative per installation	71
Table A.1:	Summary of other issues raised in submissions	75

## FIGURES

Figure 1.1:	Metering roles and responsibilities	2
Figure 2.1:	Process flow for meter installation where there is shared fusing	16
Figure 5.1:	Examples showing the meter panel is within the customer's boundary	73

# 1 THE PROPONENT'S RULE CHANGE REQUEST

## 1.1 The rule change request

On 20 May 2019, the Chair of the Competitive Metering Industry Group (CMIG) submitted a rule change request to the Australian Energy Market Commission (AEMC or Commission) seeking to reduce delays in meter installation for customers where the customer's supply cannot be interrupted without interrupting the supply of another customer. The rule change request seeks to reduce these delays by introducing an ability for metering coordinators (MC) to arrange planned interruptions for any electricity customer, regardless of the customer's retailer, for the purposes of installing, maintaining, repairing or replacing an electricity meter.

## 1.2 Current arrangements

### 1.2.1 Metering roles and responsibilities

#### **Retailer**

Under the NER, retailers are responsible for arranging metering services for small customers.<sup>5</sup> Retailers must appoint an MC for each of their small customers' connection points<sup>6</sup> and obtain a national metering identifier (NMI) for each meter.<sup>7</sup> In general, the retailer provides instructions to the MC for any metering work needed by the customer.

#### **Metering coordinator, metering provider and metering data provider**

The MC has overall responsibility for all issues related to the metering installations for which it has been appointed. The MC appoints a metering provider (MP) for each connection point<sup>8</sup> to provide, install and maintain the meter installation.<sup>9</sup> The MC also appoints a metering data provider who is responsible for the collection and processing of metering data.

Any person can perform one or more of these three metering roles provided that they are registered and accredited by the Australian Energy Market Operator (AEMO). In practice, most MC businesses are also registered and accredited as MP and metering data providers.

#### **Distribution network service provider (DNSP)**

DNSPs are no longer responsible for providing new or replacement meters for small customers. However, as a transitional arrangement, the DNSP is the metering coordinator (and MP and meter data provider) for existing manually read meter installations, until the meter is replaced and the retailer appoints a new MC.<sup>10</sup>

<sup>5</sup> This is part of their responsibility as the financially responsible market participant (FRMP).

<sup>6</sup> Clause 7.2.1(a) of the NER. Under clause 7.6.2(a)(3), a large customer may appoint its own MC.

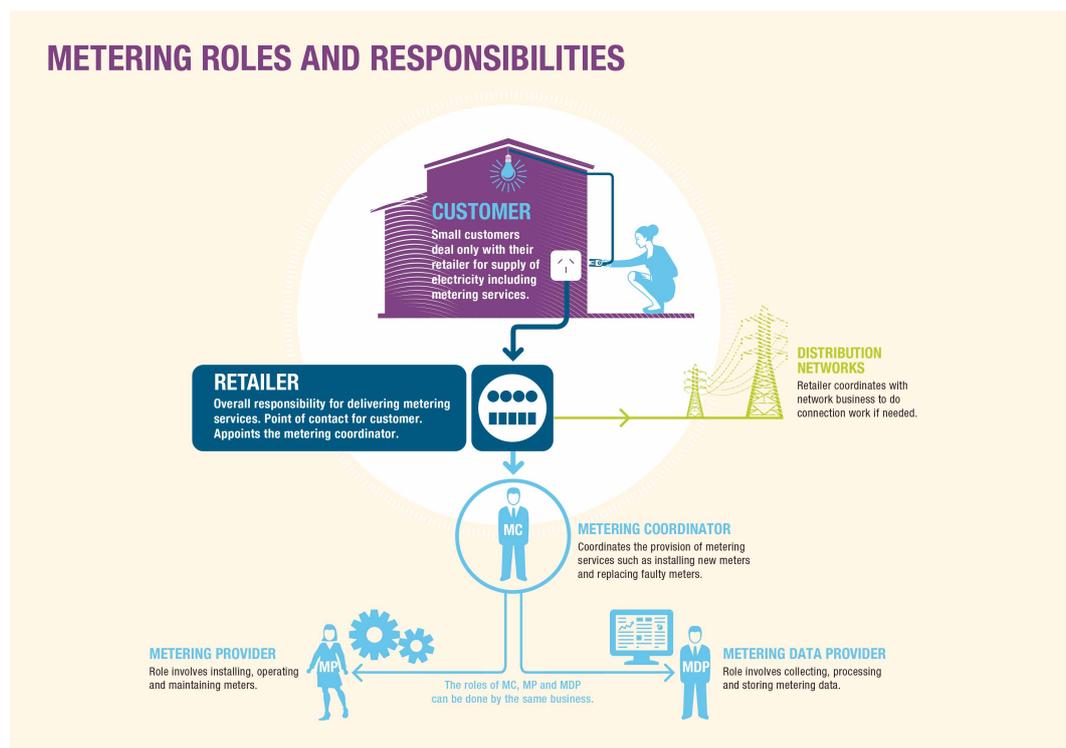
<sup>7</sup> Clause 7.8.2(c) of the NER. This involves applying to the distribution network service provider (DNSP) for a NMI and providing it to the MC within five business days of receiving it.

<sup>8</sup> Other than for a connection point with a type 7 meter installed which are used for unmetered connections, for example, street lights.

<sup>9</sup> Clauses 7.3.2(a) and 7.8.1(c) of the NER.

<sup>10</sup> Clause 11.86.7 of the NER.

**Figure 1.1: Metering roles and responsibilities**



### 1.2.2 Installing or replacing electricity meters

The different scenarios for installing or replacing a meter can be broadly categorised as:

1. **Customer-initiated installations:** These include meter installations for new connections, as well as exchanging an existing meter. Some meter exchanges require an upgrade to the customer's connection,<sup>11</sup> while others do not.
2. **Replacement of malfunctioning meters:** These include:
  - repairing a single meter due to one-off conditions such as weather damage or a fault, or
  - 'family failures' that result from a type of meter showing an unacceptably high failure rate during meter testing, leading to replacement of the whole fleet of meters.
3. **Retailer-led installations:** Under the National Electricity Rules (NER), retailers can choose to deploy a fleet of new meters (a 'new meter deployment') to its customers, in order to benefit from the functions provided by the technology, such as remote meter reading. Customers can opt-out of these retailer-led installations.

<sup>11</sup> For example, where a customer installs a power-intensive device such as a large air conditioner and requires a three-phase electricity connection.

To carry out a meter installation, under jurisdictional legislation, supply is generally required to be isolated prior to any electrical works being carried out.<sup>12</sup>

#### **Timeframes for meter installation, replacement or repair**

The NER specifies that the MC must arrange for a small customer's faulty meter to be repaired or replaced as soon as practicable, but no later than 15 business days after the MC has been notified of the malfunction.<sup>13</sup>

The NER also specifies timeframes to install meters for new connections and meter exchanges. Retailers are required to provide a meter installation for a new connection or a simple meter exchange by a date agreed with the customer. If no timing can be agreed, then the retailer needs to install the meter within six business days at a new connection, or within 15 business days if the customer has requested a simple meter exchange.<sup>14</sup>

Where a connection alteration is required to be completed by a DNSP at the time of the meter exchange, the retailer is required to install the meter by a date agreed with the customer and the DNSP.<sup>15</sup> If no timing is agreed, the retailer is required to install the meter within 15 business days. The DNSP must coordinate with the retailer in order to allow the retailer to meet its timeframe obligations.<sup>16</sup>

#### **Business-to-business (B2B) e-hub**

AEMO's B2B e-hub supports and facilitates communications between different parties involved in providing metering services. AEMO, DNSPs, retailers, market customers, MP and metering data providers are required to comply with B2B procedures.

The most recent reform of the B2B framework was designed to commence in alignment with the *Competition in metering* rule and provides an agreed set of communications to facilitate the provision of metering services for small customers.<sup>17</sup> It also allows parties to agree to use an alternative communication method. It is the Commission's understanding that most metering parties have chosen to utilise B2B communication to facilitate meter installations.

### **1.2.3**

#### **Planned interruptions roles and responsibilities**

The National Energy Retail Rules (NERR) includes a number of consumer protections. These protections include requiring retailers and DNSPs to provide prior notice to customers before they conduct a planned interruption to their electricity supply.

12 For example, in NSW clause 207 of the *Occupational Health and Safety Regulation 2001*, specifies that no work can be carried out if the circuits and apparatus of the part of the installation that is being worked on is energised. Clause 207(5) of that Regulation provides that this prohibition does not apply to electrical work carried out by a network operator under a plan that is required to be lodged under the *Electricity Supply (Safety and Network Management) Regulation 2002* (NSW). Similar provisions exist in other jurisdictions.

13 Clause 7.8.10(aa)(1) of the NER.

14 Clauses 7.8.10A(a) and 7.8.10B(a) of the NER.

15 Where the connection services for a site are provided by a party acting as an agent of the customer, such as an accredited service provider in New South Wales, the DNSP is not subject to an obligation to coordinate as it is not the party providing the connection service.

16 Clause 7.8.10C of the NER.

17 AEMC, *Updating the electricity B2B framework Rule Determination*, 2016, pp. 144.

### **Retailer planned interruptions**

Under the NERR, retailers are able to arrange for an interruption to their customer's electricity supply without the involvement of the distributor (a 'retailer planned interruption') where the interruption:<sup>18</sup>

- is for the purposes of installing, maintaining, repairing or replacing an electricity meter; and
- does not involve either the distributor effecting the supply interruption<sup>19</sup> or interrupting the supply of electricity to a customer that is not the customer of the retailer arranging the interruption.

### **Distributor planned interruptions**

DNSPs are able to arrange for an interruption to a customer's electricity supply under rule 90 of the NERR (a 'distributor planned interruption') for:

- the planned maintenance, repair or augmentation of the transmission system
- the planned maintenance, repair or augmentation of the distribution system, including planned or routine maintenance of metering equipment (excluding a retailer planned interruption); or
- the installation of a new connection or a connection alteration.<sup>20</sup>

### **Planned interruption notices for large and small customers**

The NERR specifies that a retailer or DNSP may only arrange a planned interruption of a customer's electricity supply once they have provided four business days' prior notice to the customer of the interruption or obtained the affected customer's explicit consent to the interruption occurring.

Retailers and DNSPs, with the explicit consent of the customer, can arrange for an interruption on any day within a date range of 5 business days, or on a specific date. If a date or date range is not agreed with a customer, a notice must be provided at least four business days before the date of the interruption.<sup>21</sup>

### **Life support customers**

For life support customers, the customer can only agree to a specific date, not a date range. If a date cannot be agreed with the customer, four business days' notice is to be provided in writing and must be counted from, but not include, the date of receipt of the notice.<sup>22</sup>

### **Requirement to inform the other party**

Under the NERR, a retailer must notify the relevant DNSP on the same day it obtains a customer's explicit consent to a retailer planned interruption, or where consent is not

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18 Rule 59B of the NERR.

19 Under Rule 89 of the NERR.

20 Per the definition of a distributor planned interruption set-out in Rule 88 of the NERR.

21 Rules 59C and 90 of the NERR.

22 Subrules 59C(1)(c) and 124B(1) of the NERR.

obtained for the interruption to occur on a specific date or date range, at least four business days before the retailer planned interruption.<sup>23</sup> This is an additional consumer protection so that the distributor can address any customer queries if contacted by the customer during a planned outage.

A similar requirement exists for DNSPs to notify the relevant retailer of a distributor planned interruption.<sup>24</sup>

### 1.3 Rationale for the rule change request

In the rule change request, the Chair of CMIG sought to reduce delays in meter installation for customers in multiple-occupancies, or who otherwise share an isolation fuse. The Chair of CMIG considers that these customers currently face delays as a retailer planned interruption cannot be carried out if supply for the retailer's customer cannot be interrupted without supply being interrupted to another customer or customers.<sup>25</sup>

The proponent noted that shared isolation fuses are often not identified until the MP attends a site to interrupt supply for the retail customer's meter installation. This results in multiple site visits by the MP as well as an additional site visit by the DNSP being required, and delays the customer receiving the new meter.

Currently, only DNSPs can interrupt supply to multiple customers of different retailers. While the DNSP can be required to arrange for a supply interruption for the MP to carry out the metering work in cases where there is a single supply servicing multiple customers (and often with only a single point of isolation), the proponent considers the long lead times and high costs associated with this approach to be inefficient and expensive.<sup>26</sup>

The proponent considers that its proposed rule change would result in less site visits, and lower costs, by allowing the MC to obtain consent for and arrange a supply interruption with other impacted customers, potentially on the first visit.<sup>27</sup>

In addition to more site visits being required, the proponent noted in its proposal that meter installation for customers in multiple occupancy sites with shared supply services or fusing have been exempted from metering installation timeframes in the NERR. Overall, the Chair of CMIG considers that customers in multiple occupancy with shared fusing arrangements are experiencing reduced service levels compared with other customers.

### 1.4 Solution proposed in the rule change request

The Chair of CMIG sought to resolve the issues discussed above by proposing a rule (proposed rule) to amend the NER and the NERR to allow for a new category of supply interruptions, *Metering Coordinator planned interruptions*. The proponent considers that MC

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<sup>23</sup> Subrule 99A(1)(b) of the NERR.

<sup>24</sup> Subrule 99(1)(b) of the NERR.

<sup>25</sup> Rule change request, p. 2.

<sup>26</sup> Rule change request, p. 2.

<sup>27</sup> Rule change request, p. 5.

should be allowed to carry out supply interruptions for the purposes of installing, maintaining, repairing or replacing an electricity meter.<sup>28</sup>

Under the proponent's proposed rule, MCs would be able to interrupt supply of the customer who has requested metering work, as well as interrupting supply to any other electricity customers as required to enable the planned metering work to be completed, without the need to utilise either a retailer planned interruption or a distributor planned interruption. Under the proponents proposed solution the MC's ability to interrupt supply would be made subject to the MC obtaining the affected customers' consent or providing four business days' notice of the interruption. The proponent considered that if their rule change solution is adopted it will, where possible, give the MC via the MP, the ability to obtain consent from other customers on the shared service while the meter installation is taking place.<sup>29</sup>

The proposed rule does not place restrictions on the number of electricity customers to which supply can be interrupted.<sup>30</sup>

The same obligations relating to planned interruption notifications which currently apply to retailers are proposed under the proponent's rule change request to apply to MC planned interruptions, including a recommendation that similar penalties should apply to the MC for non-compliance with the proposed obligations.<sup>31</sup>

Additionally, the Chair of the CMIG has proposed requiring participants to use AEMO's B2B eHub to notify retailers and distributors of planned interruptions, unless an alternative method of notification is agreed.<sup>32</sup>

## 1.5 Relevant background

### 1.5.1 Competition in metering

The *Expanding competition in metering and related services (Competition in metering)* final rule made extensive amendments to the metering-related provisions of the NER and NERR, including transferring the metering related roles and responsibilities from the DNSP to the newly created role of the MC.<sup>33</sup> These rules commenced in December 2017.

In making the *Competition in metering* rule, the Commission considered that the metering services can be more effectively provided by entities that are operating competitively with each other. The rule ended the effective monopoly of distributors over the provision of metering services for small customers by allowing any party that meets certain registration requirements to provide those metering services.

<sup>28</sup> Rule change request, p. 5.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid, p. 3

<sup>31</sup> Ibid. It should be noted that the Commission cannot create new civil penalty provisions. However, it may (jointly with the AER) recommend to the COAG Energy Council that new or existing provisions of the NER or NERR be classified as civil penalty provisions.

<sup>32</sup> Ibid.

<sup>33</sup> AEMC, *Expanding competition in metering and related services*, Final Determination, 26 November 2015, available at: <https://www.aemc.gov.au/rule-changes/expanding-competition-in-metering-and-related-serv>.

DNSPs continue to be responsible for maintaining existing accumulation (type 6) and interval (type 5) meters, however, any new or replacement meters must be an advanced (type 4) meter<sup>34</sup>, with the retailer responsible for arranging the metering services for its small customers by engaging an MC.

The Victorian government has made significant derogations from the metering provisions in the NER, with the result that key changes that were made in the *Competition in metering* rule do not apply in Victoria and metering services continue to be provided by DNSPs as a regulated monopoly service. In addition, the NERR do not apply in Victoria.

### 1.5.2 Metering installation timeframes

In 2018, the *Metering installation timeframes* final rule saw changes made to the NER and NERR to provide customers with greater control and confidence over when their electricity meter will be installed. The rule imposed obligations on retailers to install meters within specified timeframes, and provided more flexibility for both retailers and DNSPs in arranging for planned interruptions.<sup>35</sup>

The final rule imposed obligations on retailers to provide a meter installation by a date agreed with the customer, or if no timing could be agreed, under prescribed timing. The final rule also specified that the DNSP must coordinate with the retailer in cases where complex meter exchanges<sup>36</sup> are required in order to allow the retailer to meet its timeframe obligations.

Additionally, the final rule included a range of measures to assist in reducing meter installation delays and increase consumer confidence. These measures included providing more flexible notification requirements for retailer and distributor planned interruptions.<sup>37</sup>

The Commission noted in the final determination that there are some circumstances under which it is more difficult for retailers and metering parties to install a meter than others and the maximum timeframe cannot be met. Where the retailer encounters these limited situations, including where the installation of a new meter cannot occur without interrupting the supply to another customer, the final rule provided an exemption to the meter installation timeframe.<sup>38</sup>

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34 Clause 7.8.3(a) of the NER. Retailers are not required to comply with this obligation in limited circumstances set out in clause 7.8.4 of the NER (where there is no existing telecommunications network or a small customer refuses the installation or continued use of an installed type 4 meter) in which case the retailer may only install a type 4A meter. A type 4A meter is a type 4 meter without activated remote communications.

35 AEMC, *Metering installation timeframes*, Final determination, 6 December 2018, available at: <https://www.aemc.gov.au/rule-changes/metering-installation-timeframes>. The final rule commenced on 1 February 2019.

36 The *Metering installation timeframes* final determination defined complex installation as meter exchange that requires connection alteration.

37 See section 2.4.2 for more detail.

38 See clauses 7.8.10A(b) 7.8.10B(b) and 7.8.10C(b) of the NER. For example, the meter may be at a multi-occupancy site (where an interruption to the power supply would affect other retail customers) or connection services to a premises may not be complete.

### 1.5.3 Metering deployment with isolation issues workshop

On 7 December 2018, an industry workshop on electricity metering deployment with supply isolation issues was jointly held by the AEMC, the AEMO and the Australian Energy Regulator (AER). Key issues discussed included:

- lack of upfront site information on shared fusing, locked meter boxes and access issues
- impediments to installing meters within the required timeframes
- options for the efficient roll-out of smart meters in multiple-occupancy dwellings where the isolation of supply to individual customers is not possible.

An action from the industry workshop was that the CMIG and the Australian Energy Council (AEC) were to consider drafting a rule change request to change the current arrangements on retailer planned interruptions.

## 1.6 The rule making process

On 29 August 2019, the Commission published a notice advising of its commencement of the rule making process and consultation in respect of the rule change request.<sup>39</sup> A consultation paper identifying specific issues for consultation was also published. The Commission received 22 submissions. Issues raised in these submissions were summarised and responded to in the draft rule determination.

The Commission published the draft determination and draft rule on 19 December 2019. The draft rule was a more preferable rule. 25 submissions were received as part of the second round of consultation.

On 19 March 2020 the Commission extended the period of time to make a final determination until 21 May 2020. The Commission considered that this extension was necessary due to the complexity of issues arising from stakeholder submissions, which required further analysis. This included a proposed alternative solution from a cohort of stakeholders which would require DNSPs to install separate isolation devices for each customer with a shared fuse when identified.

The Commission engaged an independent consultant — Arup Australia Advisory & Digital Pty Ltd (Arup), to assess the proposed alternative solution, including if and how the proposed alternative would work in practice, analysis of any complexities, and an estimation of the costs of the proposed alternative solution.

A stakeholder workshop was held on 20 April 2020 to discuss changes to the draft rule and the alternative proposed solution suggested by stakeholders in submissions to the Commission's draft determination. The workshop was well-attended by stakeholders, including representatives from metering businesses, retailers, DNSPs and regulatory bodies. Stakeholders were also given the option to submit a supplementary submission. Eight supplementary submissions were received.

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<sup>39</sup> This notice was published under s.95 of the National Electricity Law (NEL) and s.251 of the National Energy Retail Law (NERL).

The Commission considered all issues raised by stakeholders in submissions. Issues raised in submissions to the draft rule determination, feedback from the 20 April 2020 stakeholder workshop, and supplementary submissions are discussed and responded to throughout this final rule determination. Issues that are not discussed in the body of this document have been summarised and responded to in Appendix A.

## 2 FINAL RULE DETERMINATION

### 2.1 The Commission's final rule determination

The Commission's final rule determination is to make a more preferable final rule (the final rule). The final rule clarifies the rights and obligations of retailers, DNSPs and MCs in arranging for a planned interruption for the purpose of installing, maintaining, repairing or replacing a meter. The final rule also imposes timeframes on retailers and DNSPs in situations where the installation of meters could not occur without interrupting supply to another customer(s). The final rule seeks to utilise the existing relationships and responsibilities under the rules and does not provide an MC with the authority to arrange for an MC planned interruption.

The Commission's reasons for making this final rule determination are set out in section 2.4.

This chapter outlines:

- the rule making test for changes to the NER and NERR
- the more preferable rule test
- the assessment framework for considering the rule change request
- the Commission's consideration of the more preferable final rule against the national electricity objective and national energy retail objective.

Further information on the legal requirements for making this final rule determination is set out in Appendix B.

### 2.2 Rule making test

#### 2.2.1 Achieving the NEO and NERO

Under the NEL the Commission may only make a rule if it is satisfied that the rule will, or is likely to, contribute to the achievement of the national electricity objective (NEO).<sup>40</sup> This is the decision making framework that the Commission must apply.

The NEO is:<sup>41</sup>

to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to:

(a) price, quality, safety, reliability and security of supply of electricity; and

(b) the reliability, safety and security of the national electricity system.

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<sup>40</sup> Section 88 of the NEL.

<sup>41</sup> Section 7 of the NEL.

The Commission may only make a rule if it is satisfied that the rule will, or is likely to, contribute to the achievement of the national energy retail objective (NERO).<sup>42</sup> This is the decision making framework that the Commission must apply.

The NERO is:<sup>43</sup>

to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy.

The Commission must also, where relevant, satisfy itself that the rule is "compatible with the development and application of consumer protections for small customers, including (but not limited to) protections relating to hardship customers" (the "consumer protections test").<sup>44</sup>

Where the consumer protections test is relevant in the making of a rule, the Commission must be satisfied that both the NERO test and the consumer protections test have been met.<sup>45</sup> If the Commission is satisfied that one test, but not the other, has been met, the rule cannot be made.

There may be some overlap in the application of the two tests. For example, a rule that provides a new protection for small customers may also, but will not necessarily, promote the NERO.

### 2.2.2 Making a more preferable rule

Under s. 91A of the NEL and s. 244 of NERL, the Commission may make a rule that is different (including materially different) to a proposed rule (a more preferable rule) if it is satisfied that, having regard to the issue or issues raised in the rule change request, the more preferable rule will or is likely to better contribute to the achievement of the NEO and NERO.

In this instance, the Commission has made a more preferable rule. The reasons are summarised below.

## 2.3 Assessment framework

In assessing the rule change request against the NEO and NERO the Commission has considered the following principles:

- **Efficient use of energy:** customers who cannot get timely installation of an advanced meter may miss out on benefits from new services that can help them manage their energy use and cost. The Commission considered whether the proposal put forward by

<sup>42</sup> Section 236(1) of the NERL.

<sup>43</sup> Section 13 of the NERL.

<sup>44</sup> Section 236(2)(b) of the NERL.

<sup>45</sup> That is, the legal tests set out in s. 236(1) and (2)(b) of the NERL.

the rule proponent, and the more preferable rule, may help improve the roll-out of advanced meters.

- **Consumer protection:** delays in the installation of meters can have an impact on small customers, either through imposing financial hardship, leaving them without electricity supply or making it difficult to access new products and services. However, it is also important that consumers, particularly those with life support equipment, have appropriate protections in relation to interruptions to their electricity supply, and effective remedies if those protections are not complied with. The degree to which the proposed rule change may improve, or at least not interfere with, consumer protections was considered. Additionally, the more preferable final rule was also assessed against the degree to which it may improve, or at least not interfere with consumer protections. The Commission also considered whether the proposed new rules were compatible with the development and application of relevant consumer protections under energy laws and regulations of Victoria.<sup>46</sup>
- **Efficient provision of electricity services:** the degree to which the proposed rule change (and the more preferable final rule) may reduce the likelihood that retailers undertake inefficient processes leading to consumers bearing higher costs was analysed. The Commission also considered how delays in the installation of advanced meters may adversely affect the development of the energy services market.
- **Regulatory and administrative burden:** the benefits of the proposed rule change against the implementation costs that would likely pass through to consumers in a workably competitive market. The implementation costs against the benefits of the more preferable final rule were similarly assessed.

## 2.4 Summary of reasons

A number of issues were raised by stakeholders, and considered by the Commission when assessing the proposed rule. Many of the issues centred on consumer protections for impacted customers. The Commission considers the final rule minimises consumer protection risks by maintaining a direct contractual relationship with the impacted customers and the party interrupting supply, and preserving access to effective remedies for consumers if consumer protections are not complied with, while reducing meter installation delays for impacted customers.

### 2.4.1 Reasons for not making the proposed rule

The Commission considers that the rule proposed by the CMIG introduces a number of risks for customers, particular in the area of consumer protections. Additionally, the Commission considers that the rule proposed by the CMIG only partially solves the issue.

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<sup>46</sup> The AEMC is not required to take into account the consumer protections specific to non-NECF jurisdictions (that is, Victoria), as the proposed changes to the NERR would only apply in those jurisdictions that have implemented the NECF. However, Victorian consumer protections may have some relevance insofar as they indicate potential directions for the development of consumer protections in NECF jurisdictions.

### **Consumer protection risks**

One of the key issues is the lack of any contractual relationship between the MC and both the customer whose meter is being installed and other customers whose supply will be interrupted. Customers therefore have inadequate consumer protections and limited recourse if supply is not restored within the applicable timeframes, or if planned interruption notification requirements are not followed. This includes a lack of access to energy ombudsman schemes.

As customers do not have a direct relationship with MCs, customers will generally not be aware of the MC. This increases the risk that customers may ignore, or be confused by, planned interruption notices from MCs and may therefore not be prepared for the planned supply interruption.

Some MCs are likely to have less access to customers' data and life support information than retailers or DNSPs. Life support information is maintained by retailers and DNSPs, with MCs needing to access life support information via either the customer's retailer or the DNSP.

### **The proposed rule only provides partial resolution of the issue**

The Commission considers that the proposed rule would only provide partial resolution for delays in meter installation where there is shared fusing. MCs will still generally not know about shared fusing until the site visit to attempt the meter installation as the proposed rule does not require information on shared fusing to be collected and shared with other market participants. Further, site visits and the associated costs once shared fusing is discovered would only be saved if the adjacent affected customers are home at the time of the installation attempt, and the authorised person is willing to consent to the supply interruption on-the-spot.

For larger sites, the proposed rule could cause customers to experience multiple interruptions if meters are installed one-at-a-time, with multiple MC planned interruptions carried out.

Lastly, there are a number of other isolation issues, for example in some jurisdictions the MP does not have the authority to operate certain isolation devices, that the proponent's proposed rule solution would not solve.

More details on the Commission's and stakeholders' views on the risks of the proposed rule are provided in Chapter 3.

## **2.4.2**

### **The Commission's more preferable rule**

The more preferable final rule made by the Commission is attached to and published with this final rule determination. The key features of the more preferable final rule are:

- The final rule introduces a 30 business day installation timeframe requirement on the retailer where the installation of a meter requires an interruption to other customers, if an installation date is not agreed with the customer. If a distributor planned interruption is required to carry out the meter installation, the agreed date with the customer must also be agreed with the DNSP. Similarly, the final rule introduces a 30 business day installation timeframe requirement on the MC to rectify metering malfunctions where the

rectification could not be completed without interrupting supply to other customers, unless an exemption (from the timeframe obligation) was sought from and granted by AEMO.

- Where a retailer has requested a DNSP to carry out a distributor planned interruption to enable a retailer or an MC to effect a new meter installation or replacement, the final rule requires the DNSP to carry out the interruption on the date agreed with the retailer and the customer, or if no date is agreed, within 25 business days from the date of the request from the retailer.
- Minor changes to the NERR are included in the final rule to make it clear that a retailer is able to interrupt supply to any of its own customers for the purpose of installing, maintaining, repairing or replacing metering equipment, not just the customer receiving the new meter.
- The requirements for AEMO's metrology procedure will be amended to require DNSPs to record shared fusing information as soon as practicable after becoming aware of the shared fuse arrangements. To facilitate the collation of shared fusing information, retailers and metering parties would be required to notify the DNSP as soon as practicable of any shared fusing they have identified. This change will progressively provide more information to MCs and retailers indicating potential shared fusing prior to attending sites to carry out planned meter installations, potentially reducing the number of site visits required with associated cost and time savings for customers.

Having regard to the issues raised in the rule change request and during consultation, the Commission is satisfied that the final rule will, or is likely to, contribute to the achievement of the NEO and NERO and satisfies the consumer protections test. Issues relating to contractual relationships with the impacted customers are addressed by the final rule, and recourse is available to customers should the retailer or DNSP not comply with its obligations in the NER and NERR. Further, the final rule minimises risks to customers using life support equipment.

#### **The relationship between obligations in the NER and NERR in this rule change**

In the final rule, obligations in the NER and the NERR work together to provide certainty of timeframes of meter installation for customers with shared fusing.

In general, under the national energy regulatory framework, the NER details obligations relating to metering, whereas the NERR details obligations relating to planned interruptions and model terms and conditions in customer contracts.

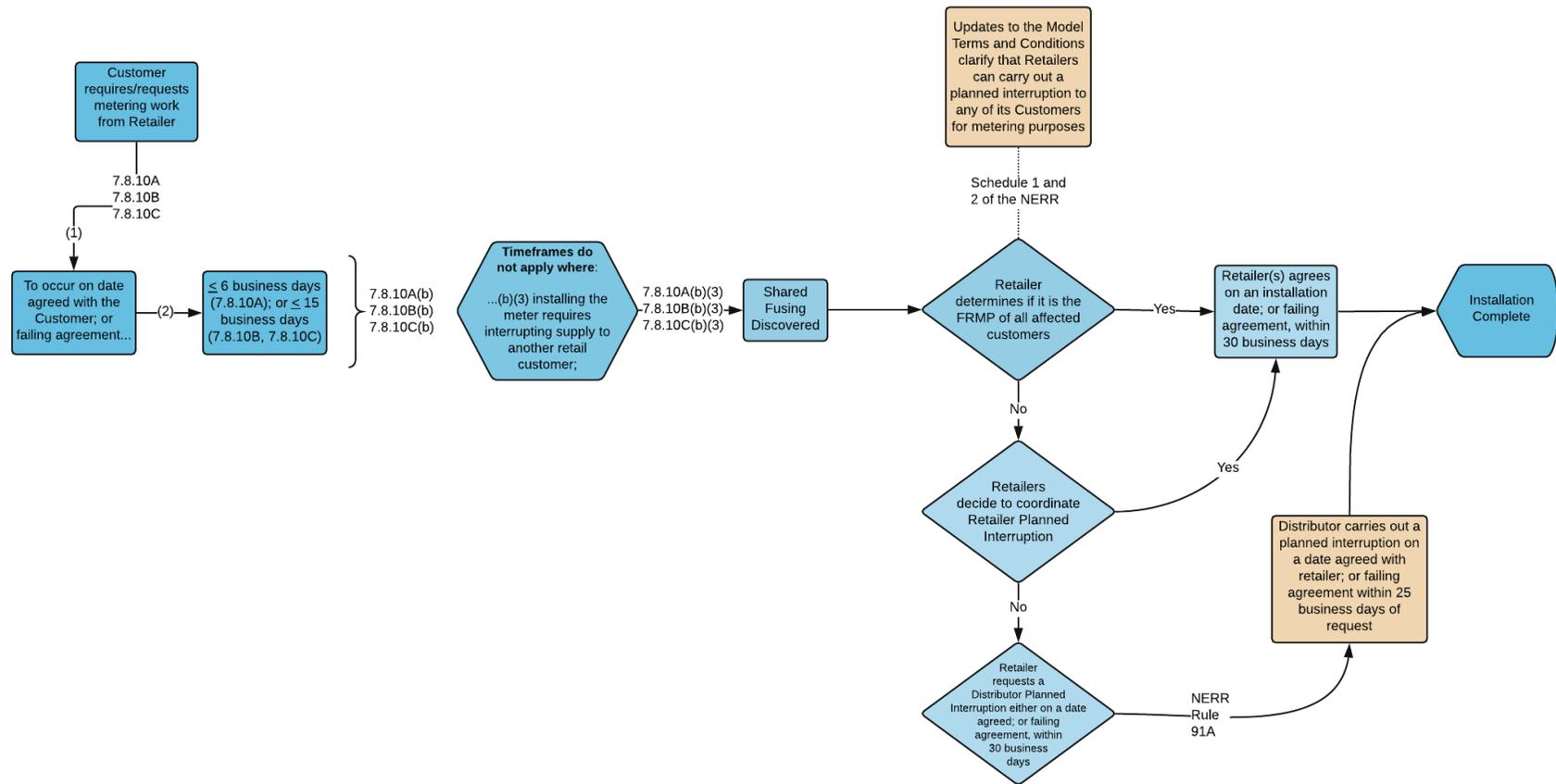
For the final rule, Chapter 7 of the NER details the obligations around timeframes for retailers and MCs to carry out a meter installation. However, in many cases where there is shared fusing, the retailer will need to request a distributor planned interruption to be carried out by the DNSP to enable the installation to occur. This is because the retailer is not able to interrupt supply to other customers who are supplied by another retailer in order to carry out the meter installation (however, the retailer could potentially coordinate with the retailers of the other customers to carry out coordinated retailer planned interruptions to facilitate the meter installation). Therefore, an obligation has been included in the NERR to require DNSPs to carry out a DNSP planned interruption to facilitate the meter installation on the date

agreed with the retailer and the customer, or if no date is agreed, within 25 business days of receiving a request from the retailer for a supply interruption.

Similarly, if the retailer is also the retailer of all customers which share a fuse, the final rule allows the retailer to carry out a planned interruption to facilitate the meter installation. As above, the meter installation timeframes are included Chapter 7 of the NER, however, the changes to the model terms and conditions for customer contracts to clarify that retailers are able to interrupt supply to any of its customers for meter services sits in the NERR.

The process flow below explains the operation of the final rule and how the retail rule and the electricity rules work together under the final rule.

**Figure 2.1: Process flow for meter installation where there is shared fusing**



Source: AEMC

### Benefits of the final rule

The final rule provides certainty of installation timeframes for customers with shared fusing. Further, installation delays should be reduced with the introduction of a requirement for retailers to carry out meter installation where there is shared fusing within a specified time. Retailers' timeframe obligations are further supported by a new obligation on DNSPs to carry out a planned interruption, where requested, within a specific timeframe to facilitate the installation of the meter. This should allow customers who have requested a new meter to access new services to manage their use and cost in a more efficient timeframe than under the current rules. Further, reducing delays in the installation of advanced meters will assist in the development of the energy services market.

The final rule also seeks to improve consumer outcomes over time by requiring AEMO to include in its metrology procedures obligations on DNSPs to record information that they become aware of regarding the location of shared fuses as a result of retailers, MCs and other relevant parties informing the DNSP of shared fusing, or as identified as a result of their own work.

The Commission acknowledges in some circumstances it may be more cost and time efficient for MCs to carry out planned interruptions or for DNSPs to be required to install separate isolation devices. However, on balance after assessing the benefits and risks of the more preferable final rule compared to the proposed rule and the alternative solution proposed in submissions to the draft determination, the Commission considered that the more preferable final rule better contributes to the NEO and NERO (including the consumer protections test).

Further detail on the more preferable final rule can be found in section 4.4 below.

#### 2.4.3

#### Reason for not adopting the alternative rule proposed by some stakeholders

In submissions to the draft determination, a cohort of stakeholders, including the rule proponent, proposed an alternative solution to both the rule proposal, and the draft determination. The proposed alternative was that DNSPs be required to install separate isolation devices for each of the premises with shared fusing at the first supply interruption to install a new meter. To assist in the analysis of the alternative proposal, the Commission engaged an independent consultant, Arup, to carry out a technical assessment of the proposal, investigating the costs, how the solution could be implemented and practical application and complexities of the proposal.

Having regard to Arup's investigation, stakeholder feedback,<sup>47</sup> as well as the Commission's own analysis, the Commission has decided not to adopt the alternative solution in the final rule. The rule change has raised a number of issues in relation to responsibilities and accountabilities for meter panels, isolation devices and similar assets. A holistic approach to the consideration of these issues is more appropriate, rather than a rule change request such as this one, which has a limited scope. The Commission encourages industry namely

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<sup>47</sup> This include feedback received at the public workshop on 20 April 2020 as well as supplementary written submissions provided to the Commission after the workshop.

retailers, metering coordinators and DNSPs to consider practical and cost effective ways of coordinating to better address the needs of consumers. Once an agreed model has been developed, consideration can be given as to further rule changes if required.

More details on the Commission's and stakeholders' views on the alternative proposed solution, as well as the findings from Arup's investigation into the proposed alternative solution, are provided in Chapter 5. A summary of the key issues considered by the Commission is provided below:

- **Issues with customers' meter panel**
  - **Arup's assessment.** Arup found that the separate isolation devices would be required to be installed on the customers' meter panel or service equipment panel under jurisdictional Service and Installation Rules.<sup>48</sup> However, DNSPs do not own a customer's meter panel, and under the current regulatory framework, are only able to install certain devices on them. Generally, work on this panel is arranged by customers using electrical contractors in the competitive market. Supplementary submissions from stakeholders have raised this as an issue which would need to be overcome should the proposed alternative solution be implemented.
  - **Stakeholder feedback and Commission's analysis.** Arup's investigation, stakeholder submissions, and the Commission's own analysis indicate that there are currently impediments to DNSPs carrying out this work both in the NER, and jurisdictional regulations. Changes could be made to the NER to enable DNSPs to install the service isolation devices (for example by changing the definition of network device), however, this would depart from the current approach to contestable services.
- **Issues with installing isolation devices in more complex scenarios.**
  - Where the meter panel is degraded or there is insufficient room for the isolation devices, the installation of separate isolation devices could be problematic. The costs of remedial action, or meter panel replacement may be substantial. As noted above, DNSPs do not own the meter panels. This is part of the customer installation which is the responsibility of the customer, the owners' corporations (or equivalent). Therefore, the customer would be responsible for both the scheduling and cost of their alterations (or a portion of them in the case of where they are owned by the owner/strata corporations).
- **Quantifying costs and benefits**
  - Due to uncertainty around the number of customers impacted by shared fusing, as well as identifying the proportion which may have meter panels that require remedial action or replacement, the costs of the alternative proposal are hard to quantify. It is possible that there are some cost benefits of the alternative proposal, as compared to the draft rule in certain scenarios, however, the number of assumptions made in

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<sup>48</sup> For example, see page 89 of the Service and Installation Rules of New South Wales October 2019, and page 29 of the SA Power Networks Service and Installation Rules, February 2020.

the costing and lack of verified data for both options make this difficult to determine with any level of validity.

## 2.5 Changes between the draft and final rule

The final rule largely retains the content and form of the draft rule. However, a small number of changes have been made between the draft and final rule to enhance the operation of the rule and to clarify its intent. These are summarised below:

- **Customers have the ability to agree an installation date.** The main change under the final rule is that customers are now able to agree to a specific date for metering installation to be carried out. If no date is agreed with the customer, the timeframes under the final rule apply, that is, the retailer must arrange for the installation of the meter within 30 business days of discovering the shared fuse. If the DNSP is required to carry out a planned interruption to enable the meter installation to be carried out, the retailer will need to agree the specific date with both the customer and the DNSP. If no date is agreed with the customer and the DNSP, the retailer must arrange for the installation of the meter within 30 business days of discovering the shared fuse. This change aligns with the rule requirements introduced under the *Meter installation timeframes*<sup>49</sup> rule change, and provides customers with greater choice. The Commission considered that providing customers and retailers with the flexibility to agree on a date range is likely to improve efficiency in meter installations.
- **Revised rule commencement date — installation timeframes.** The provisions in the final rule relating to meter installation timeframes for retailers and MCs, and the timeframe for DNSPs to carry out planned interruptions to enable the meter installation will now both commence on 21 July 2020. This change was made to allow retailers, MCs and DNSPs to make any process changes required to comply with the new timeframes, and to enable DNSPs to reduce any current work backlogs.
- **Revised rule commencement date — changes to model terms and conditions and AEMO procedures.** Changes required to retailer's and DNSP's customer contracts, due to changes to the model terms and conditions in the NERR, as well as NER amendments to the requirements of the metrology procedure and MSATS procedures, will now commence on 21 August 2020. The Commission is cognisant that the required amendments to customer contracts may take time for each retailer to put in effect.
- **AEMO's timeframe to effect procedural changes.** Further, the commencement date for changes relating to the metrology procedure, which will necessitate both changes to AEMO's metrology procedure, and AEMO's systems and processes have been extended. Under the final rule, AEMO will be required to implement the changes as soon as reasonably practicable, but no later than 30 March 2022. This change will allow AEMO to both undertake consultation, and to align the changes with other standing data changes already scheduled. Additionally, this will allow market participants to align these changes with other changes also being made.

<sup>49</sup> AEMC, *Metering installation timeframes -Rule Determination*, December 2018

- **Requirement for MC to include details of shared fusing on metering malfunction notice.** This requirement has been removed from the final rule as the Commission considers that the cost of this obligation will outweigh the benefits if market participants are able to access information on shared fusing in MSATS.
- **Drafting improvements - NER cl. 7.8.10.** Some minor drafting amendments have been made to NER cl.7.8.10 to simplify it as the result of civil penalty provisions being adopted from a recommendation in a previous rule change. There is no policy difference as a result of these amendments.

## 3 ANALYSIS OF THE PROPOSED RULE

This chapter outlines the:

- underlying issue the proposed rule is attempting to address
- rule proponent's view of the most appropriate solution to the underlying issue
- stakeholder views on the benefits and risks of the proponent's proposed rule, and practical considerations for the application of the proposed solution such as communication methods and access to customer data
- Commission's analysis and draft determination
- stakeholder views in response to the draft determination
- Commission's conclusions on the proposed rule.

### 3.1 Meter installation delays due to shared fusing

The underlying issue the rule change request is attempting to address is delays in installing new or replacement meters for customers where the installation could not proceed without interrupting the supply of other customers. Under the NER there are metering installation timeframes for customer initiated meter replacements, and meter replacements due to meter malfunction. Currently, where a meter cannot be installed without interrupting the supply of another customer, there is an exception to the meter installation timeframes for customer initiated meters.<sup>50</sup>

The exception to the meter installation timeframe no longer applies once the underlying reason has been resolved. However, in situations where a number of customers share the same isolation fuse, a retailer may not be able to resolve the issue unless it arranges a distributor planned interruption to allow for either the installation of a separate isolation fuse or the new electricity meter. There is currently no timeframe imposed on DNSPs for carrying out this supply interruption.

### 3.2 CMIG's view

In the rule proponent's view, the most appropriate solution for resolving meter installation delays for customers who share fusing or supply with other customers is to allow MCs to independently carry out planned supply interruptions of *any* customer for the purpose of installing, repairing, maintaining or replacing an electricity meter.<sup>51</sup>

CMIG considered that if MCs are allowed to carry out planned interruptions of any customers, they would be able to install the customer's meter in a more timely manner, and at less cost than if distributor planned interruptions are required. CMIG considered that MC planned interruptions would be of most benefit in situations where only one or two other customers

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<sup>50</sup> NER, cl. 7.8.10A-7.8.10C.

<sup>51</sup> CMIG, rule change request, p. 3.

were impacted by the shared fusing.<sup>52</sup> In particular, CMIG suggested that site visits (and therefore time and money) could be reduced if the MC (via the MP) was able to obtain customer consent for the supply interruption on the spot.<sup>53</sup>

For larger, more complex sites, CMIG was of the view that distributor planned interruptions would likely be the most effective solution. Nevertheless, it contends that the rule should not restrict MC planned interruptions to a certain number of customers.

Under the rule change request, CMIG also proposed requiring participants to use AEMO's B2B eHub to notify retailers and distributors of planned interruptions, unless an alternative method of notification is agreed.<sup>54</sup>

### 3.3 Stakeholder views - submissions to the consultation paper

In submissions to the consultation paper, most stakeholders were in agreement that steps should be taken to reduce delays for customers where their meter installation could not be completed without interrupting the supply to another customer or customers. However, stakeholder views on the proposed rule as the most appropriate means to resolve the issue were mixed.

The rule proponent, Vector, and EnergyAustralia were strongly supportive of the rule proposal in its current form.<sup>55</sup> PIAC and NECA did not support the rule proposal.<sup>56</sup> Other stakeholders views ranged from supporting the concept, but with concerns about specific areas, to supporting the principle, but not necessarily the proposed approach. Energy Queensland expressed concern that the costs may outweigh the benefits.<sup>57</sup>

#### 3.3.1 Benefits of the rule proposal

Stakeholders generally agreed that the benefits of the rule proposal would include more timely installation of meters, and a better customer experience for the customer who has requested the new meter.<sup>58</sup> Some stakeholders considered that allowing MC planned interruptions may allow for meter installations where there is shared fusing to be completed on the first visit where consent is able to be obtained from the impacted customers.<sup>59</sup>

In addition, a number of stakeholders considered that allowing MCs to carry out supply interruptions could reduce costs associated with multiple site visits, as well as the costs associated with DNSP planned interruptions.<sup>60</sup>

52 The rule proponent alleged that many sites where shared fusing was an issue were sites with only one or two other impacted customers. See page 5 of the rule change request.

53 CMIG, rule change request, p. 3.

54 Ibid.

55 Submissions to the consultation paper: CMIG, p. 1; Vector, p. 1; EnergyAustralia, p. 2.

56 Submissions to the consultation paper: PIAC, p. 1; NECA, p. 1.

57 Energy Queensland, submission to the consultation paper, p. 5.

58 Submissions to the consultation paper: EnergyAustralia, p. 1; AGL, p. 2; EWOQ, p. 1; Energy Queensland, pp. 1, 6; TasNetworks, p. 3; Momentum, p. 2; Origin, p. 1; Endeavour Energy, p. 2.

59 Submission to the consultations paper: AEC, p. 1; Endeavour Energy, p. 2; SA Power Networks, p. 2; EnergyAustralia, p. 1; Momentum, p. 2; Energy Queensland, p. 6.

60 Submissions to the consultation paper: Vector, pp. 1-2; EnergyAustralia, p. 1; EWOQ, p. 1; TasNetworks, p. 3.

For example, Vector considered that benefits of allowing MCs to carry out planned supply interruptions were the avoidance of delays in meter installation, costs of multiple site visits and a reduction in the reliance on scarce DNSP resources.<sup>61</sup> Powershop/Meridian considered that allowing MCs to carry out a planned interruption to install meters should enable customers to have meters installed on the date the customer requests.<sup>62</sup>

In contrast, PIAC was of the view that the potential benefits of the proposed rule had not been established.<sup>63</sup>

### 3.3.2 Risks of the proposed rule

Stakeholders identified a number of risks or issues associated with the proposed rule. These risks included:

- the lack of a contractual relationship between the MC and customers
- customer recourse is limited if supply is not restored within timeframes or if planned interruption notification requirements are not followed and customers are unable to access dispute resolution in relation to actions undertaken by MCs
- customers may ignore, or be confused by, planned interruption notices from MCs as they will not know who the MC is
- Some MCs are likely to have less access to customers' data and life support information than retailers or DNSPs
- privacy concerns with MCs accessing customer data where they do not have a relationship with the customer
- situations may arise where the MC is unable to restore the customers' supply in a timely manner
- site visits would only be saved if the other impacted customers are home at time of the installation attempt
- there are other isolation issues that the rule change would not solve.

Stakeholder views on these issues are discussed in more detail below.

#### **Lack of contractual relationship between the metering coordinator and customers**

Some stakeholders expressed concerns that there is no contractual relationship between the MC and customers, noting that such relationships exist between the customer and its retailer and the customer and the DNSP to provide the basis for obligations.<sup>64</sup> Further, SA Power Networks expressed concern that the proposed rule does not include the creation of such a contractual relationship between MC and customers.<sup>65</sup>

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61 Vector, submission to the consultation paper, p. 2.

62 Powershop/Meridian, submission to the consultation paper, p. 2.

63 PIAC, submission to the consultation paper, p. 4.

64 Submissions to the consultation paper: SA Power Networks, p. 1; Simply Energy, p. 1; NECA, p. 1; Energy Queensland, p. 4.

65 SA Power Networks, submission to the consultation paper, p. 1.

### Access to dispute resolution

The importance of access to dispute resolution was raised by a number of stakeholders.<sup>66</sup> For example, EWOQ and PIAC considered that access to independent dispute resolution is a key consumer protection which must be maintained.<sup>67</sup>

Stakeholder views on whether the MCs should be required to register with energy ombudsmen, or whether access should remain solely via the customer's retailer was mixed. EWON, EWOSA, CMIG, Momentum, TasNetworks and Origin considered that access to independent dispute resolution should continue to be via the retailer.<sup>68</sup> The South Australian Department for Energy and Mining, AGL, Ausgrid, Endeavour Energy, Energy Queensland and Vector supported the MC being required to become members of jurisdictional energy ombudsman schemes should MC planned interruptions be introduced.<sup>69</sup>

Powershop/Meridian considered that the implementation required to include MCs in energy ombudsman schemes was likely to be complicated.<sup>70</sup>

### Notification of planned outage concerns

Concerns were expressed on the effectiveness of MC planned outage notifications in communicating outage information to impacted customers. Stakeholders considered that customers would likely have no knowledge of the MC, and could find the notifications to be confusing. A number of stakeholders expressed concern that the impacted customer may be confused or discard the planned outage notification, not recognising that their supply was to be interrupted.<sup>71</sup>

In addition, EnergyAustralia considered that retailer branding should not be used on any planned interruption notices for MC planned interruptions as this could confuse the customer and imply liability.<sup>72</sup>

### Life support information

Concerns were raised by stakeholders in relation to access to accurate and timely data on life support equipment use. As well as privacy issues, which were raised by a number of stakeholders, some stakeholders considered that the rule would increase the risk that planned interruption notification requirements for life support customers would not be met due to the MC not being able to readily access life support information.<sup>73</sup>

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66 Submissions to the consultation paper: TasNetworks, p. 5; Powershop/Meridian, p. 3; ALG, p. 6; Energy Queensland, p. 11; PIAC, p. 6; South Australian Department for Energy and Mining, p. 2; EWON, p. 2; EWOSA, p. 2; EWOQ, p. 2, Endeavour Energy, p. 5.

67 Submission to the consultation paper: EWOQ, p. 2; PIAC, p. 6.

68 Submissions to the consultation paper: EWON, pp. 1-2; Origin, p. 4; EWOSA, p. 2; CMIG, p. 4; Momentum, p. 4; TasNetworks, p. 4.

69 Submissions to the consultation paper: South Australian Department for Energy and Mining, p. 2; AGL, p. 6; Vector, p. 4; Ausgrid, p. 5; Endeavour Energy, p. 5; Energy Queensland, p. 11.

70 Powershop/Meridian, submission to the consultation paper, p. 3.

71 Submissions to the consultation paper: SA Power Networks, p. 1; EWOSA, p. 2; Red/Lumo Energy, pp. 1-2; Energy Queensland, p. 4; AEC, p. 2; PIAC, p. 2.

72 EnergyAustralia, submission to the consultation paper, p. 2.

73 Submissions to the consultation paper: Endeavour Energy, p. 1, ; South Australian Department for Energy and Mining, p. 2; Red/Lumo Energy, p. 2; Origin, p. 2; PIAC, p. 2.

In Red/Lumo Energy's view, the proposed rule does not adequately address risks relating to customers understanding what they are consenting to, or feeling pressure to consent on the spot. Further, Red/Lumo considered the proposed rule did not adequately address the process of obtaining life support details, and suggested that obtaining these details from a retailer or DNSP would add to the timeframe required to install a meter.<sup>74</sup>

PIAC was of the view that retailers and DNSPs have existing, regulated responsibilities relating to life support and it would not be appropriate for the MC to determine life support requirements.<sup>75</sup>

Endeavour Energy expressed concern that life support customers could be registered in the period between when the MC raises a request via B2B and when the supply interruption is carried out. In addition, Endeavour Energy considered that it would be appropriate for the same life support obligations as DNSPs and retailers in regard to life support customers (including maintaining a life support register) to be imposed on MCs if MC planned interruptions are introduced.<sup>76</sup>

#### **Privacy of customer information**

Privacy of general customer information, as well as life support information was raised by stakeholders in a number of submissions. Stakeholders expressed concerns that the MC would be accessing customer data and life support information for customers they have no relationship with. In addition, the MC may not have an inferred relationship with the customer via the retailer if they are able to interrupt supply to all customers.<sup>77</sup>

#### **Restoration of supply**

EWOSA and the South Australian Department for Energy and Mining expressed concern that situations may arise where the MC is unable to restore the customers' supply in a timely manner. For example, where network equipment is damaged by a MP, the equipment has historical assets which require replacement, or where the type of connection requires the DNSP's expertise.<sup>78</sup>

If MCs are allowed to interrupt supply, then Simply Energy was of the view that they should be subject to civil penalty provisions requiring the MC to use their best endeavours to restore supply as soon as possible.<sup>79</sup> In addition, SA Power Networks considered that if the DNSP is required to visit a site to restore supply as a result of metering work, that the DNSP should be able to recover its costs from the MC.<sup>80</sup>

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74 Red/Lumo Energy, submission to the consultation paper, p. 2.

75 PIAC, submission to the consultation paper, pp. 2, 5-6.

76 Endeavour Energy, submission to the consultation paper, p. 5.

77 Submissions to the consultation paper: EnergyAustralia, p. 2; EWOQ, p. 2; Red/Lumo Energy, p. 1; Energy Queensland, p. 4; TasNetworks, pp. 1,4; Origin, p. 3.

78 Submissions to the consultation paper: EWOSA, p. 2; South Australian Department for Energy and Mining, pp. 1-2.

79 Simply Energy, submission to the consultation paper, p. 2.

80 SA PowerNetworks, submission to the consultation paper, p. 1.

### Issues relating to more complex sites

A number of stakeholders considered that introducing MC planned interruptions would only be effective in reducing delays in limited scenarios, for example where there were only two or three customers involved.<sup>81</sup> For example, Simply Energy considered that the proposed rule would not be effective where more than one or two other customers shared a fuse or were otherwise unable to be isolated, and where life support customers were involved.<sup>82</sup>

Further, a number of stakeholders considered that the proposed rule does not provide a solution in all instances. For example, PIAC considered that the proposed rule did not provide a solution in all shared fuse instances, or for a range of other issues which may delay meter installation at a premises. In addition, Ausgrid noted that if the meter installation requires the isolation of electrical equipment owned by the DNSP, then the isolation can only be operated by DNSP authorised persons.<sup>83</sup>

### Other issues

Simply Energy considered that there is risk that the MC may not have the correct contact details of other customers on the shared fuse and, therefore, the risk of unplanned outages could be increased if MC planned interruptions are introduced.<sup>84</sup>

## 3.3.3

### Practical implementation considerations

This section provides further detail on stakeholder views in submissions to the consultation paper on the practical implementation of the proposed rule, including how the MC would access customer data and life support information, access to dispute resolution, and methods of communicating planned outage information with retailers and DNSPs.

#### Access to customer data

Many stakeholders suggested that MCs should be allowed to obtain basic customer details through NMI Discovery.<sup>85</sup> Although MCs currently have access to NMI Discovery for certain purposes, most stakeholders considered that further amendments to MC access would be required to provide them with greater access to customer information.<sup>86</sup> AGL was of the view that the current access available to MCs would be adequate.<sup>87</sup>

EnergyAustralia considered that in accessing customer information through NMI Discovery, the MC must be required to demonstrate that the information is required for the purposes of a MC planned interruption as this information could potentially be used for commercial purposes.<sup>88</sup>

81 Submissions to the consultation paper: Simply Energy, p. 2; EnergyQueensland, p. 6; AGL, p.3; Origin, p. 1; Momentum, p.p 1-2.

82 Simply Energy, submission to the consultation paper, p. 2.

83 Submissions to the consultation paper: PIAC, p. 3; Ausgrid, p. 3.

84 Simply Energy, submission to the consultation paper, p. 2.

85 NMI Discovery is a function in MSATS that allows participants who are prospective retailers or a Network Service Provider for a customer to discover the customer's NMI and checksum if it is not known, and access standing data.

86 Submissions to the consultation paper: Powershop/Meridian p. 3; Momentum, p. 4; EnergyAustralia, p. 2; AEC, p. 4; CMIG, p. 3; Vector, p. 4; Endeavour Energy, p. 5; Momentum, p. 4.

87 AGL, submission to the consultation paper, p. 5.

88 EnergyAustralia, submission to the consultation paper, p. 2.

Origin noted that AEMO's Market Settlement and Transfer Solutions (MSATS) does not use the same address structure as Australia Post, which may lead to discrepancies in addresses as found in NMI Discovery.<sup>89</sup>

### Access to life support information

Most stakeholders suggested that further customer information, such as life support information, should be obtained via a Customer Details Request (CDR), including whether there are any customers requiring life support equipment at the premises.<sup>90</sup> Origin submitted that retailers would currently be unlikely to provide life support information to an MC via the CDR process if the MC is not the nominated party due to privacy concerns. It was of the view that it would be more appropriate if the DNSP was to provide this information.<sup>91</sup>

Powershop/Meridan considered that life support information could be obtained from the retailers and shared with MCs, or otherwise via consultation with the impacted customers.<sup>92</sup> However, AGL submitted that if on-site consent was obtained by MCs, a specific and auditable record that the authorised customer has been asked if they have any life support requirements and have given permission for the outage would be required.

Lastly, Evoenergy considered that DNSPs should not carry residual liability under life support obligations if MCs are authorised to interrupt supply at a premises with life support equipment.<sup>93</sup>

### Communication with the DNSP and retailer of the impacted customers

EnergyAustralia considered that the MC should be obliged to notify the DNSP and the retailer of any impacted customers of the planned interruption.<sup>94</sup> Further, Red/Lumo Energy and Origin considered that retailers would require advanced notice of the supply interruption, to either proactively contact their customers, or respond to enquiries from customers.<sup>95</sup>

The existing AEMO B2B arrangements to communicate with market participants were seen as appropriate by most stakeholders who provided comment on this, with additional information such as which retailer the meter installation was for suggested by some stakeholders.<sup>96</sup>

### Removal of current timeframe exception

In the rule proposal, the proponent suggested that the exception for the metering installation timeframes where supply to another customer would be interrupted, be removed. Vector and SA Power Networks considered that a timeframe exception would still be required where

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89 Origin, submission to the consultation paper, p. 2.

90 Submissions to the consultation paper: EnergyAustralia, p. 2; AEC, p. 4; CMIG, p. 4; Origin, p. 4; AGL, p. 5; Vector, p. 4; TasNetworks, p. 4.

91 Origin, submission to the consultation paper, p. 4.

92 Powershop/Meridan, submission to the consultation paper, p. 3.

93 Evoenergy, submission to the consultation paper, p. 1.

94 EnergyAustralia, submission to the consultation paper, p. 2.

95 Submissions to the consultation paper: Red/Lumo Energy, p. 2; Origin, p. 3.

96 Submissions to the consultation paper: Powershop/Meridan, p. 3; AGL, p. 5; AEC, p. 3; CMIG, p. 3; Vector, p. 4; Ausgrid, p. 5; TasNetworks, p. 4.

shared fusing is found at the end of the meter installation timeframe, or in cases where DNSP planned interruptions are required.<sup>97</sup>

### 3.3.4 Circumstances under which the proposed rule could be used

The majority of stakeholders considered, that should MCs planned interruptions be allowed, that no limits should be placed on the number of customers whose supply can interrupted under such an interruption.<sup>98</sup> Many stakeholders noted, however, that it would likely not be practical for MCs to arrange planned interruptions for larger numbers of customers. In these circumstances, distributor planned interruptions would likely be utilised.<sup>99</sup>

#### Retailer planned interruptions and MC planned interruptions

Most stakeholders who commented on this issue were of the view that retailer interruptions would still be required if MC planned interruptions were introduced.<sup>100</sup> However, EnergyAustralia, EWOQ, Endeavour Energy considered that if MC planned interruptions are introduced, they could replace retailer planned interruptions.<sup>101</sup>

TasNetworks was of the view that if MC planned interruptions were to be used, they should only occur after, or as part of a retailer planned interruption,<sup>102</sup> while the South Australian Department for Energy and Mining submitted that further consideration of this issue was required.<sup>103</sup>

## 3.4 Commission's analysis and draft determination

In the draft determination, the Commission considered that steps should be undertaken to reduce delays for customers whose meter installation could not be completed without interrupting supply to other customers. The installation of smart meters was seen to benefit customers by enabling them to access new services to efficiently use electricity and better manage costs. However, the Commission considered that the impact of the proposed rule on all affected customers, not just the customer requesting installation of a new meter, needed to be considered, including consumer protection impacts.

The Commission's view was that the proposed rule could provide benefits to some customers who have requested a replacement or new meter but have shared fusing with other customers, in the form of reduced wait times to have their meter installed. It would also have the potential to reduce costs for retailers and MCs in installing meters in these circumstances, which may be passed onto customers. The Commission was of the view that steps should be

97 Submissions to the consultation paper: Vector, pp. 2-3, SA Power Networks, p. 2.

98 Submissions to the consultation paper: EnergyAustralia, p. 1; TasNetworks, p. 4; Energy Queensland, p. 9; Endeavour Energy, p. 4; Vector, p. 3; CMIG, p. 3; AEC, p. 3; Powershop/Meridian, p. 3; SA Power Networks, p. 3; Momentum p. 2.

99 Submissions to the consultation paper: EnergyAustralia, p. 1; Simply Energy, p. 2; Powershop/Meridian, p. 2; AGL, p. 3; CMIG, p. 2; Momentum, pp. 2-3; AEC, p. 2; Vector, p. 3; Energy Queensland, p. 6.

100 Submissions to the consultation paper: Powershop/Meridian, p. 3; Momentum, p. 3; Origin, p. 3; AGL, p. 5; AEC, p. 3; CMIG, p. 3; Vector, p. 3; Energy Queensland, p. 9; SA Power Networks, p. 3.

101 Submission to the consultation paper: EnergyAustralia, p. 2; EWOQ, p. 2; Endeavour Energy, p. 4.

102 TasNetworks, submission to the consultation paper, pp. 2,4.

103 South Australian Department for Energy and Mining, p. 2.

taken to reduce the instances and duration for these customers, so they are able to take advantage of the benefits that could be provided by a smart meter.

Nevertheless, the Commission was concerned that, although the proposed rule has benefits and may be effective in reducing meter installation timeframes for some customers with shared fusing, it has inadequate consumer protections and access to recourse for impacted customers. In particular, there is a lack of any contractual relationship between the MC and customers, an inability to access ombudsman schemes and limits on access to life support data. While the Commission considered that in many cases there would likely be few issues arising from MC planned interruptions, the lack of consumer protections and recourse for impacted customers should obligations not be followed was noted to be of particular concern.

The Commission recommended that a more preferable rule should be made, which retains access to consumer protections and access to consumer recourse by leveraging existing relationships and obligations. Further details of the Commission's analysis in developing this position for the draft determination can be found below, and in Chapter 4.

#### 3.4.1

##### **Relationship between MC and customer requesting installation**

One of the key issues of the proposed rule which the Commission highlighted was the lack of any relationship between the MC and the customer whose meter is being installed. The customer relationship is through the retailer, and currently, the retailer is accountable for the supply interruption obligations and metering timeframes being met.

The customer has a direct relationship with the retailer and the retailer has obligations around complaint handling and dispute resolution and there are civil penalties that can be imposed by the AER for failure to comply with supply interruption obligations. In addition, the customer can access independent dispute resolution via the energy ombudsman should they not be able to resolve an issue directly with the retailer. Similarly, the customer has a direct relationship with the DNSP of the electricity network they are connected to.<sup>104</sup> The customer currently has options for recourse with the DNSP should the DNSP not comply with any obligations via the connection contract the customer has with the DNSP. Although the proposed rule has proposed civil penalties to apply to MCs for MC planned interruptions, this is not a direct customer recourse, as these civil penalties can only be applied by the AER, and the penalty is not paid to the customer.

The Commission shared jurisdictional ombudsmen's concerns that customers would have little or no recourse against MCs should they be allowed to carry out planned interruptions given MCs are not members of ombudsmen schemes. The Commission considered that access to independent dispute resolution is an important safeguard if another party is to be given the ability to interrupt supply to customers.

The Commission noted that it does not have the power to make MCs subject to ombudsmen schemes through changes to the NER or NERR. It is possible that changes could be made to jurisdictional ombudsmen schemes so that MCs could become members, as has recently occurred in relation to embedded networks in some jurisdictions, but that would require

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<sup>104</sup> This relationship is through the deemed standard connection contract.

actions by ombudsmen schemes, jurisdictional governments and in some cases changes to jurisdictional legislation. While some ombudsmen indicated that it would be possible to change their schemes to include MCs through changes to their constitutions and other relevant documents without needing changes to jurisdictional legislation, those changes would take some time to implement. Other ombudsmen indicated that including MCs would require changes to jurisdictional legislation, and would therefore likely take a considerable amount of time and require separate processes to decide whether to make those changes.

#### **3.4.2 Relationship between MC and adjacent customers**

In addition to the MC not having any relationship with the customer receiving the meter, the MC does not have a direct relationship with the adjacent customers whose supply will require interruption in order for the meter installation to proceed. This raised the same issues as for the relationship between the customer receiving the meter and the MC. That is, lack of consumer protections or recourse in the form of complaint handling and dispute resolution, and access to energy ombudsman schemes. Further, the MC may not even have an indirect relationship with the adjacent impacted customers via a relationship with the retailer(s) of those customers.

#### **3.4.3 Life support customers**

Customers who rely on life support equipment are a particularly vulnerable group of consumers. Failure to adequately notify customers who rely on life support of planned interruptions could have significant negative impacts on these customers. MCs have limited access to information relating to life support customers as this information is maintained by retailers and DNSPs and is governed by restrictions on access to data. This introduces risks that customers with life support equipment may be missed.

#### **3.4.4 Cost savings**

The Commission considered that some of the cost savings of MC planned interruptions detailed in the rule change request are not likely to be realised. Currently there is limited information available to market participants on shared fusing. Consequently, the MC is unlikely to be aware of shared fusing until attending the premises to carry out the meter installation. A reduction in site visits will therefore not occur unless the adjacent affected customers who share an isolation fuse with the customer receiving the new meter are home at the time of the site visit, are appropriately authorised and willing to provide on-the-spot consent. The Commission considered it likely that, even with the proposed rule, the MC is likely to need a minimum of two visits in most cases as not all customers will be at home or would readily consent to interruption.

There may remain some cost savings if the cost of multiple MC visits to arrange for supply interruptions are less than the cost of a distributor led planned interruption.

#### **3.4.5 Other considerations**

As noted in stakeholder submissions, even if the MC complies with notification requirements, there is a risk that customers could be confused by the notice and may disregard it as they

will likely be unaware of whom the MC is. This could lead to consumers being unexpectedly without power, and generate calls to the customer's DNSP and/or retailer.

Lastly, as noted by some stakeholders it is likely that distributor planned interruptions would still be required where more than a handful of customers cannot be isolated individually, or where there are other isolation issues occurring concurrently. The proposed rule does not address timeframes where distributor planned interruptions would be required.

## 3.5 Stakeholder views in response to the draft determination

The majority of stakeholders did not comment directly on the proposed rule in submissions to the draft determination, instead focusing on the draft rule. However, some stakeholders addressed the proposed rule, expressing either support for the proposed rule, or agreeing that the proposed rule would have introduced consumer protection risks.

### 3.5.1 Support for the proposed rule

A number of stakeholders continued to express support for the proposed rule in submissions to the draft determination.<sup>105</sup> PlusES considers that the proposed solution is the most cost effective and efficient process.<sup>106</sup> Vector expressed support for the proposed rule as a practical and common sense approach, which is used in maintenance work other than metering. Additionally, Vector was of the view that the proposed rule would provide services at a lower costs than those for DNSP planned interruptions and would result in less site visits, and reduce delays in meter installation.<sup>107</sup>

CMIG, Powermetric, and PlusES were of the view that the consumers protections issues under the proposed rule could have been addressed, but was of the view that more could have been done to mitigate these concerns.<sup>108</sup> Further, CMIG suggested that further consultation be undertaken to explore how consumer protections could be provided. CMIG does not consider that this option has been adequately explored.<sup>109</sup>

#### Access to energy ombudsman scheme

EnergyAustralia and Vector considered that concerns around customers accessing ombudsman schemes could be addressed through issues being raised with the initiating retailer, with the retailer responsible for ensuring that the MC is conducting itself to the required standards.<sup>110</sup> Further, Vector considered that MCs face incentives to ensure the protection of customers for reputational reasons.<sup>111</sup>

<sup>105</sup> Submissions to the draft determination: Plus ES, p. 1; Vector, p. 2; CMIG, p. 2; MEA, p. 2.

<sup>106</sup> PlusES, submission to the draft determination, p. 1 and supplementary submission to the draft determination, p. 1.

<sup>107</sup> Vector, submission to the draft determination, p. 2.

<sup>108</sup> Submission to the draft determination: CMIG, p. 2; Powermetric, p. 1, PlusES, p. 3.

<sup>109</sup> CMIG, submission to the draft determination, p. 2.

<sup>110</sup> Submissions to the draft determination: EnergyAustralia, p. 4; Vector, p. 5.

<sup>111</sup> Vector, submission to the draft determination, p. 5.

### 3.5.2 Allowance of MC planned interruptions in specific circumstances

Allowing MC planned interruptions in specific circumstances was considered appropriate by a few stakeholders. Energy Queensland, while largely supporting the more preferable draft rule, expressed support for MCs to be able to undertake planned interruptions in limited situations, for example with customer consent in small multi-occupancy premises.<sup>112</sup> In its submission to the draft determination, SA Power Networks recommended that MCs be able to interrupt supply where only one additional customer is affected, suggesting this would provide benefits with minimal risks.<sup>113</sup>

Similarly, EnergyAustralia considered that it would be more efficient to allow MC to conduct outages where there is less than six customers impacted.<sup>114</sup>

CMIG submitted that a limit placed on the number of customers able to be interrupted under an MC planned interruption would have been satisfactory, noting that many of the sites with shared isolation issues only involve a small number of customers.<sup>115</sup>

### 3.5.3 Support for not making the proposed rule

In contrast, PIAC reiterated its concern with the rule change as proposed by CMIG.<sup>116</sup> Momentum Energy, in its submission considered that the proposed rule did not appropriately address shared fusing situations.<sup>117</sup>

The South Australian Department for Energy and Mining, Red Energy/Lumo Energy and Endeavour Energy, considered that the proposed rule would have introduced unnecessary consumer protection risks, and expressed support for the draft determination over allowing MCs to carry out planned interruptions for any energy customers.<sup>118</sup> Further, EWOSA and EWON were of the view that the more preferable draft rule addresses consumer protection risks in the rule change proposal.<sup>119</sup>

In addition, many other stakeholders expressed support for the more preferable draft rule, with some minor amendments.<sup>120</sup>

## 3.6 The Commission's final position

The Commission continues to consider that, although steps should be undertaken to reduce delays in meter installation for customers' with shared fusing to allow them to access new

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112 Energy Queensland, submission to the draft determination, p. 4.

113 SA Power Networks, submission to the draft determination, p. 1.

114 EnergyAustralia, submission to the draft determination, p. 3.

115 CMIG, submission to the draft determination, p. 2.

116 PIAC, submission to the draft determination, p. 1.

117 Momentum Energy, submission to the draft determination, p. 1.

118 Submissions to the draft determination: South Australian Department for Energy and Mining, p. 1; Red Energy/Lumo Energy, p. 1; Endeavour Energy, p. 1.

119 Submissions to the draft determination: EWOSA, p. 2; EWON, p. 1.

120 Submissions to the draft determination: EWOSA, p. 2; EWON, p. 1; PIAC, p. 1; South Australian Department for Energy and Mining, p. 1; Momentum Energy, p. 2; AEMO, p. 1; Citipower, Powercor and United Energy, p. 1; Endeavour Energy, p. 1; Energy Queensland, p. 4; Origin Energy, p. 1; Simply Energy, p. 1; Red Energy/ Lumo Energy, p. 1; AGL, p. 1.

services, the solution should not introduce consumer protection risks to the other customers impacted by the shared fusing.

The proposed rule could provide benefits to some customers who have requested a replacement or new meter but have shared fusing with other customers, in the form of reduced wait times to have their meter installed. It would also have the potential to reduce costs for retailers and MCs in installing meters in these circumstances, which may be passed onto customers. However, the proposed rule has inadequate consumer protections and a lack of recourse for impacted customers which have not been adequately addressed.

Therefore, the Commission continues to be of the view that a more preferable rule should be made, which provides access to consumer protections and access to consumer recourse. Further details of the Commission's analysis in developing this position for the final determination can be found below, and in Chapters 4 and 5.

### 3.6.1

#### Consumer protections concerns

The lack of any contractual relationship between the MC and customers, an inability to access ombudsman schemes and limits on access to life support data remain of concern. Although the proposed rule has proposed civil penalties to apply to MCs for MC planned interruptions, this is not a direct customer recourse, as these civil penalties can only be applied by the AER, and the penalty is not paid to the customer.

As noted in the draft determination, the customer has a direct relationship with the retailer and the DNSP, who both have obligations around complaint handling and dispute resolution and there are civil penalties that can be imposed by the AER for failure to comply with supply interruption obligations. There is no direct relationship between the MC and the customer whose meter is being installed. The customer relationship is through the retailer, and currently, the retailer is accountable for the metering related supply interruption obligations and metering installation timeframes being met. Further, the MC does not have a direct relationship with the adjacent customers whose supply will require interruption in order for the meter installation to proceed. This customer may not have relationship with the initiating retailer either.

Customers can access independent dispute resolution via the energy ombudsman should they not be able to resolve an issue directly with the retailer or DNSP. The Commission considered that access to independent dispute resolution is an important safeguard if another party is to be given the ability to interrupt supply to customers. MCs are not currently members of energy ombudsman schemes, and the Commission does not have the power to make MCs subject to energy ombudsman schemes as they are administered by jurisdictions. While some ombudsmen may be able to make changes to their schemes to include MCs given time, in some jurisdictions legislative changes would be required.

Some stakeholders submitted that steps could be taken to address the consumer protection concerns. In relation to access to ombudsman schemes, it was suggested that recourse could be via the initiating retailer. However, the Commission considers that determining who the initiating retailer was would not be a straightforward process. It is unlikely to be simple to determine who the initiating retailer was as they would not be dealing directly with the other

impacted customers. As noted in the draft determination, customers are unlikely to know who the MC is, and may disregard the planned interruption notification if received. Other impacted customer(s) (i.e. those who did not request the meter exchange) may also have difficulty remembering the name of the MC if they provided consent on the day of the interruption.

Another specific area of concern is customers who rely on life support equipment. These are a particularly vulnerable group of consumers, and failure to adequately notify customers who rely on life support of planned interruptions could have significant negative impacts on these customers. As noted in the draft determination, information relating to life support customers is maintained by retailers and DNSPs and is governed by restrictions on access to data. MCs do not have access to this data which introduces risks that customers with life support equipment may be missed. Opening up this data would likely require system changes, and there may be privacy concerns with MCs accessing sensitive personal information.

Aside from feedback in relation to extending the application of the ombudsman scheme to include MCs, no other tangible solutions were suggested by stakeholders to address the consumer protection issues under the proposed rule. The Commission therefore considers that the proposed rule does not meet the consumer protections test in the NERR.

### **3.6.2 Option to restrict MC planned interruptions to a specific number of customers**

It was noted in submissions to the consultation paper that, even if the proposed rule is implemented with MCs allowed to carry out planned interruptions, it is likely that distributor planned interruptions would still be required where more than a handful of customers cannot be isolated individually, or where there are other isolation issues occurring concurrently.

A number of stakeholders, in submissions to the draft determination suggested that MC planned interruptions be allowed in certain circumstances. Suggestions for an appropriate number ranged from where only one other customer shared the fuse to up to six customers sharing the fuse. Although less customers would be exposed to consumer protection risks at any one time if there is a limit on the number of customers for which supply can be interrupted under a single MC planned interruption, the consumer protection risks remain. The Commission does not consider that the consumer protection rights of those customers to be any less important than other customers.

### **3.6.3 Other considerations**

As noted in the draft determination, the Commission considers that some of the cost savings of MC planned interruptions detailed in the rule change request are not likely to be realised, as the MC is unlikely to be aware of shared fusing prior to attending the premises to carry out the meter installation. The proposed rule does not include a mechanism which will address this lack of information. Unless the adjacent affected customers who share an isolation fuse with the customer receiving the new meter are at home at the time of the site visit, are appropriately authorised and willing to provide on-the-spot consent, site visits will not be reduced.

Therefore, the Commission's position to the appropriateness of the proposed rule in resolving delays in meter installation where there is shared fusing has not changed from the draft determination. While in many cases there would likely be few issues arising from MC planned interruptions, the lack of consumer protections and recourse for any impacted customers has led the Commission to determine that the proposed rule is not the most appropriate rule to resolve meter installation delays for customers with shared fusing.

## 4 THE MORE PREFERABLE RULE

As discussed in Chapter 3, the Commission considers there were a number of issues with the proposed rule and that a more preferable rule should be made to address the underlying issue of delays in meter installation for customers with shared fusing which the rule change is aiming to resolve, without introducing new risks to customers.

The final rule is largely based on the draft rule, with some amendments to allow for a customer to agree to a meter installation date with the retailer and the implementation timeframes extended to allow for market participants to make system and process changes.

This chapter:

- details stakeholder views to the consultation paper on alternative solutions to address delays in meter installation for customers with shared fusing
- provides the Commission's analysis of alternative solutions against the proposed rule and details the Commission's more preferable draft rule
- details stakeholder feedback on the more preferable draft rule provided in stakeholder submissions to the draft determination, as comments during the stakeholder workshop, and in supplementary submissions to the draft rule
- provides the Commission's analysis, final position on the more preferable rule, and details of the final rule.

### 4.1 Commission's draft rule and draft determination

In its draft determination, the Commission agreed with concerns raised by stakeholders that the proponent's proposed rule solution, if adopted, would leave consumers without recourse to consumer protections. The Commission considered that utilising and leveraging off existing relationships and obligations between retailers and DNSPs, and metering parties is a more effective approach to address the issues raised in the rule change request.

Having regard to stakeholder submissions to the consultation paper suggesting alternative solutions, and feedback from discussions with stakeholders, the Commission was of the view that the more preferable draft rule better contributed to the NEO, and the NERO (including the consumer protections test).

The Commission considered the solution proposed in the draft rule was in the best interests of all customers, as it provided important consumer protections for all impacted customers, and not just the customer receiving the new or replacement meter. It would assist in addressing the underlying issue without creating additional risks for consumers by providing timeframes for the installation of meters for customers with shared fusing, as well as options to allow for flexibility depending on the circumstances of the site. Importantly, under the draft rule, all customers impacted by the planned interruption would have access to recourse should obligations not be complied with, including access to independent energy ombudsman schemes.

Instead of introducing MC planned interruptions, the draft rule:

- clarified the retailers' ability to undertake retailer planned interruptions for all of its own customers, provided the existing notice or consent requirements are met
- introduced timeframe obligations on retailers and DNSPs to install or replace a new meter in shared fusing situations
- introduced obligations on DNSPs to coordinate with other parties and arrange a distributor planned interruption within a specified period where a retailer planned interruption is not suitable
- required AEMO to update the metrology procedure to include a requirement for DNSPs to record information (the Commission understands from AEMO this would likely be within MSATS) where they become aware that a site has a shared fuse.

The following sections discuss the Commission's analysis and considerations in making the draft rule.

#### **4.1.1 Changes to introduce additional meter installation timeframes on retailers, MCs and DNSPs**

##### **New installation timeframes for retailers and MCs**

Under the NER, retailers are required to install a new meter by a date agreed with the customer, or if no timing could be agreed, under prescribed timing.<sup>121</sup>The NER also provides for a limited number of exceptions to the timeframes for circumstances where it is more difficult for retailers and metering parties to install a meter than others and the maximum timeframe cannot be met.<sup>122</sup>The shared fusing issue that this rule change request is seeking to resolve is one such situation. These timeframes and exceptions were retained in the draft rule.

Recognising stakeholders' concerns on delays to meter installations in shared fusing situations, the draft rule introduced an additional installation timeframe on retailers when they (or their MC, in the course of installing the meter) encounter such a situation. Under the draft rule, where the shared fusing scenario solely applies, the retailer would be required to arrange the meter installation on a date no later than 30 business days from the date the retailer becomes aware of the exception.<sup>123</sup>

The draft rule also applied an equivalent timeframe to the repair or replacement of malfunctioning meters.<sup>124</sup> Under the draft rule the MC would be required to repair (or replace) the meter within 30 business days of it becoming aware that repairing the malfunction requires interrupting supply to another retail customer.

##### **New obligations on distributor planned interruptions for DNSPs**

Rule 91A of the NER currently requires the DNSP to carry out a distributor planned interruption and provide assistance to MCs to carry out installation, maintenance, repair or replacement of metering equipment where a retailer planned interruption cannot be

<sup>121</sup> NER, clauses 7.8.10A(a), 7.8.10B(a) and 7.8.10C(a).

<sup>122</sup> NER, clauses 7.8.10A(b), 7.8.10b(b), and 7.8.10c(b).

<sup>123</sup> See proposed changes to the NER in clauses 7.8.10A(c)(2), 7.8.10B(c)(2) and 7.8.10C(c)(2) of the draft rule.

<sup>124</sup> See proposed changes to the NER in cl 7.8.10(aa)(1) of the draft rule.

undertaken (amongst other coordination and information sharing requirements). However, Rule 91A does not specify the time in which the DNSP must effect the distributor planned interruption.

The draft rule therefore introduced new obligations on DNSPs where a distributor planned interruption is needed to interrupt supply in shared fusing situations where multiple customer and multiple retailers are involved. These new obligations were:

- **Maximum timeframe to carry out interruption.** Where a retailer has requested a distributor planned interruption to enable the installation, repair or replacement of metering equipment, the DNSP must carry out the interruption within 25 business days of the request.<sup>125</sup>
- **Requirement to coordinate.** The DNSP must coordinate the interruption with the retailer and other relevant parties in order to allow the retailer or the MC to comply with their timeframe obligations in relation to the installation, repair or replacement of a meter.<sup>126</sup>

The Commission considered these obligations are necessary to support the new timeframe obligations on retailers and MCs to complete meter installations or replacements in shared fusing situations.

#### 4.1.2

#### Clarification of retailer planned interruptions and planned interruption notice information requirements

Some stakeholders indicated that the retailer planned interruption provisions in rule 59B of the NERR are ambiguous as to whether a retailer is permitted to carry out a planned interruption that affects other customers of that retailer.

The Commission's view was that a retailer is able to interrupt supply to any of its customers for the purpose of installing, maintaining, repairing or replacing metering equipment and that a retailer can undertake planned interruptions of all adjacent affected customers provided they are all the retailer's customers and the existing notice or consent requirements are met.

The Commission did not consider that any amendments to rule 59B are required to enable this to occur, but recognised that minor changes to other related clauses would help clarify the rules.

To this end, the draft rule amended the model terms and conditions for customer contracts in the NERR to clarify that the retailer may arrange a retail planned interruption to the supply of electricity for the purpose of installation, maintenance, repair or replacement of an electricity meter.<sup>127</sup>

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<sup>125</sup> See proposed changes to the NERR, subrule 91A(c1) and 91A(d) of the draft rule.

<sup>126</sup> See proposed changes to the NERR, subrule 91A(g) of the draft rule.

<sup>127</sup> See proposed changes to the NERR, Schedule 1, clause 11A.1(a) and definitions in the Model terms and conditions for standard retail contracts, and Schedule 2 the definition of retailer planned interruption in the Model terms and conditions for deemed standard connection contracts of the draft rule.

Currently, the model terms and conditions uses the term 'your electricity meter' in relation to retailer planned interruption. The draft rule amended this to 'an electricity meter' and made it consistent with the definition of retailer planned interruption in rule 59B of the NERR.

The draft rule also amended the planned interruption notification information requirements in rule 59C of the NERR to require the planned interruption notification to specify whether the interruption is for the purpose of installing, maintaining, repairing or replacing an electricity meter for the notified customer, or for another customer.<sup>128</sup>

#### **4.1.3 Introduction of a new requirement in AEMO's Metrology Procedure to require recording of shared fusing information**

A key barrier to MCs' ability to minimise the number of site visits is the lack of information available to market participants on shared fusing. Acknowledging that the relevant parties currently have limited knowledge of this information, the Commission considered that capturing this information when parties become aware of it over time would improve consumer outcomes in the longer term.

The Commission considered that this information is best recorded in AEMO's MSATS system. Informal consultations with stakeholders indicated that DNSPs are the party who is best able to capture and record this information for a range of reasons, including the increased level of access they have to MSATS compared with retailers and MCs which will enable DNSPs to record this information in relation to all customers that are affected by a shared fuse.

DNSPs should not be expected to proactively inspect sites to gather this information for all of their customers, but should record it if they become aware of it. Retailers and MCs should be required to notify the DNSP as soon as practicable after becoming aware of shared fusing so the DNSP can record the information. Similarly DNSPs should record any shared fusing information as soon as practicable after becoming aware of shared fusing during the course of their work. This information should be used to provide an indication of where shared fusing may apply, but it is not expected that this information would be audited to determine validity due to costs and the administrative burden that auditing the data would impose.

The draft rule therefore required AEMO to include in its metrology procedures requirements on retailers and MCs to notify DNSPs as soon as practicable after becoming aware of shared fusing. DNSPs would then be required to record the shared fuse arrangements for multiple connection points as soon as practicable after becoming aware of the shared fuse arrangements. The draft rule also required the metrology procedure to be updated to include requirements in relation to the management and access to shared fuse arrangements information.<sup>129</sup>

#### **4.1.4 Commencement of the rule**

The Commission proposed a commencement date of 26 March 2020 for the changes to Chapter 7 and clause 11.86.7 of the NER, as well as for changes to subrule 59C and 91A of

<sup>128</sup> See proposed changes to the NERR subrule 59C(4)(a) of the draft rule.

<sup>129</sup> See proposed changes to the NERR, clause 7.16.3(c)(7), and the transitional rule in Schedule 3, of the draft rule.

the NERR and provisions relating to changes to the retail model terms and conditions for standard retail contracts and deemed standard connection contracts (Schedules 1 and 2 of the NERR). These provisions relate to metering installation timeframes, the provision of metering malfunction information to the MC, and the information provision requirements and timeframes for planned interruptions. This is the expected date of the publication of the final rule and determination.

Changes required by the draft rule to retailer's and DNSP's customer contracts required by changes to the model terms and conditions in the NERR and the NER amendments to the requirements of the metrology procedure and MSATS procedures were proposed to commence on 26 June 2020.

The Commission is cognisant that the required amendments to customer contracts (if the draft rule is made as a final rule) may take time for each retailer to put in effect.<sup>130</sup> The changes under the draft rule relating to the metrology procedure will likely necessitate both changes to AEMO's metrology procedure, and AEMO's systems and processes. The Commission sought to balance these changes against the costs of delaying implementation in providing a three-month period to implement changes required to comply with these obligations.

## 4.2 Stakeholder views in response to the draft determination

The majority of stakeholders were supportive of the draft determination, and suggested minor amendments to the draft rules. A handful of stakeholders, including the rule proponent, did not support the draft rule, instead proposing another alternative solution which would require DNSPs to install separate isolation devices to resolve the shared fusing.<sup>131</sup> In addition, a number of stakeholders who were generally supportive of the draft rule, if there were minor amendments, also supported the alternative solution proposed by the rule proponent.

Consumer groups, energy ombudsmen, the South Australian Department for Energy and Mining, Momentum Energy and AEMO expressed support for the draft determination.<sup>132</sup> Further most DNSPs were broadly supportive of the draft determination, albeit with minor amendments suggested by some DNSPs to the draft rule.<sup>133</sup>

Origin Energy supported the more preferable rule, but considered that the new timeframes should be extended to all situations where an MC is not able to isolate supply.<sup>134</sup> Simply Energy, AGL, Red Energy/Lumo Energy and Origin Energy, were supportive of the draft rule, with some amendments, as well as also supporting an alternative solution to require DNSPs to install separate isolation devices to all affected premises.<sup>135</sup>

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<sup>130</sup> The Commission is aware that changes to customer contracts will also be required on 19 March 2020 under the *Reducing customers' switching times* rule change.

<sup>131</sup> This potential alternative solution is discussed in detail in Chapter 5 of this determination.

<sup>132</sup> Submissions to the draft determination: EWOSA, p. 2; EWON, p. 1; PIAC, p. 1; South Australian Department for Energy and Mining, p. 1; Momentum Energy, p. 2; AEMO, p. 1.

<sup>133</sup> Submissions to the draft determination: Citipower, Powercor and United Energy, p. 1; Endeavour Energy, p. 1; Energy Queensland, p. 4.

<sup>134</sup> Origin Energy, submission to the draft determination, p. 1.

While SA Power Networks supported not allowing MCs to undertake planned interruptions where there is no contractual relationship with the customer, it did not consider that the draft rule adequately addresses the initial change request and would negatively impact more customers than would benefit.<sup>136</sup>

AusNet Services, PlusES, CMIG, Vector, Powermetric, EnergyAustralia and MEA did not support the draft rule.<sup>137</sup>

#### 4.2.1

#### Additional meter installation and planned interruption timeframes

Most stakeholders provided comments on the proposed obligations requiring retailers and MCs to install meters within 30 business days of discovering the shared fusing, and for DNSPs to carry out a planned interruption within 25 business days of being requested to carry out a planned interruption to enable the retailer or MC to install the meter.

The proposed timeframes were supported by EWOSA, EWON, Momentum Energy, AEMO and AGL.<sup>138</sup> EWON considered that imposing timeframes on retailers, MCs and DNSPs should reduce delays, and allow for the installation of meters where there is shared fusing.<sup>139</sup> Further, AEMO noted that the timeframes are consistent with the approach taken in the Commission's *Meter installation timeframes* rule change, and considered that the timeframes are a reasonable balance between meeting customers' expectations, ensuring the accurate recording of energy flows, and providing sufficient time to coordinate.<sup>140</sup>

Origin Energy also supported the timeframes in the draft rule. However, it considered that they should cover all situations where the MP cannot isolate the fuse.<sup>141</sup>

EnergyAustralia considered that introducing timeframes would result in increased costs and that the timeframes would not be achievable in all circumstances, which may not be the fault of the retailer, MC or DNSP. It considered that the current exceptions under the meter installation timeframes should apply to these timeframes at a minimum.<sup>142</sup>

There were a number of recommended amendments to the timeframes in specific circumstances which are discussed in the subsections below.

#### Specific feedback on the 30 business day timeframe for retailers and MCs to install meters

AGL and Momentum Energy supported 30 business day timeframe for retailers to install a meter, and for MCs to rectify meter malfunctions where there is shared fusing, as this will provide greater certainty for customers.<sup>143</sup>

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135 Submissions to the draft determination: Simply Energy, p.1; Red Energy/Lumo Energy, p. 1; AGL, p. 1.

136 SA Power Networks, submission to the draft determination, p. 1.

137 Submissions to the draft determination: CMIG, p. 2; AusNet Services, p. 1; PlusES, p. 1; Powermetric, p. 1, EnergyAustralia, p. 4; Vector, p. 1; EnergyAustralia, p. 1; MEA, p.1.

138 Submissions to the draft determination: EWOSA, p. 2; EWON, p. 1; Momentum Energy, p. 2; AEMO, p. 2; AGL, p. 3.

139 EWON, submission to the draft determination, p. 1.

140 AEMO, submission to the draft determination, p. 2.

141 Origin Energy, submission to the draft determination, p. 1.

142 EnergyAustralia, submission to the draft determination, pp. 1, 4.

143 Submissions to the draft determination: AGL, p. 3; Momentum Energy, p. 2.

A number of retailers suggested that timeframes be amended to allow retailers to utilise the planned interruption to install other meters at the same time, thereby reducing the number of supply interruptions for the customers sharing the fuse.<sup>144</sup> Further stakeholder feedback on this issue can be found in section 4.2.2 below.

Vector considered that holding retailers and MCs responsible for meeting timeframes, when they are dependent on DNSPs, was unfair. Therefore, Vector recommended that the retailer or MC obligation should be to lodge a request for a planned interruption with the DNSP.<sup>145</sup>

Red Energy/Lumo Energy considered that amendments to the NER cl. 7.8.10a(c) which relates to installation times for new connections, was likely not required as new connections would not include shared fusing arrangements.<sup>146</sup>

#### **Specific feedback on the 25 business day timeframe on DNSPs**

Most DNSPs, and a number of other stakeholders recommended that the 25 business day timeframe for DNSPs to carry out a planned interruption when requested by a retailer or MC to enable a meter to be installed be extended and/or exceptions provided to allow for DNSPs to undertake critical work.

Some DNSPs submitted that the 25 business day timeframe would be difficult to meet, proposing that a longer timeframe be provided to allow for site scoping, access, negotiation with customers and notification requirements. Citipower, Powercor and United Energy recommended increasing the timeframe for retailers and MC to install new meters or rectify meter malfunctions for customers with shared fuses from 30 business days to 35 business days to allow DNSPs 30 business days to carry out the planned interruption. Endeavour Energy recommending a 30 business timeframe for both DNSPs and retailers, and Energy Queensland Energy noted its DNSPs typically carry out planned interruptions within 30 business days.<sup>147</sup>

Vector did not support a 25 business day timeframe on DNSPs to carry out a planned interruption on request as it considers that a timeframe will reduce coordination and flexibility to balance the needs of customers, and to negotiate a mutually acceptable time with MCs/MPs.<sup>148</sup>

Endeavour Energy submitted that changes to work scheduling and outage planning would be required to meet the proposed timeframes.<sup>149</sup>

#### ***Proposed exceptions to the 25 business day timeframe***

Some stakeholders proposed that exceptions to the 25 business day timeframe be provided in cases where the DNSP needs to prioritise critical work, where there is a large volume of

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144 Submissions to the draft determination: AGL, p. 3; Red Energy/Lumo Energy, pp. 1-3; Simply Energy, p. 2.

145 Vector, submission to the draft determination, pp. 3-4.

146 Red Energy/Lumo Energy, submission to the draft determination, p. 4.

147 Submissions to the draft determination: Citipower, Powercor and United Energy, pp. 1-2, Endeavour Energy, p. 2, Energy Queensland p. 5, Ausgrid, p. 2, SA Power Networks, pp. 1-3 and supplementary submissions to the draft determination: Endeavour Energy, p. 1; ENA, p. 1; SA Power Networks, p. 2-3.

148 Vector, submission to the draft determination, p. 3.

149 Endeavour Energy, submission to the draft determination, p. 1.

requests from MC stemming from family failure replacements or where coordination between multiple parties was required. For example, SA Power Networks considered that should timeframes to effect a planned interruptions be imposed, flexibility should be given to allow DNSPs to determine the safest approach and to prioritise work.<sup>150</sup>

Ausgrid, Endeavour Energy, ENA and SA Power Networks submitted that the timeframes should not apply to meter replacement for family failure.<sup>151</sup>

Energy Queensland recommended that the timeframes should only apply where there is only one MC/MP involved in the planned outage, and there is no coordination between multiple parties required.<sup>152</sup>

In relation to exceptions to allow critical work to be carried out, SA Power Networks considered that DNSPs should not have to carry out planned interruptions where work is planned to occur in a heatwave or significant storm, or where it is responding to severe weather events or bushfires. If a mandatory timeframe were to be imposed, SA Power Networks considered the timeframe should be a 'best endeavours' obligation or extended to 40 business days.<sup>153</sup> Energy Queensland considered that the 25 business day timeframe may not always be met if a major event such as a severe storm occurs.<sup>154</sup>

In supplementary submissions to the draft determination, Endeavour Energy, PlusES expressed support for meter installation timeframes to be extended or for exceptions to apply to allow DNSPs to prioritise critical work (such as supply restoration).<sup>155</sup> PlusES recommended that any exceptions for critical work be clearly defined as supply restoration. PlusES did not consider that an extension of the timeframe overall would resolve delays caused in these situations.<sup>156</sup> PIAC considered that exceptions should be allowed only if the circumstances are genuinely exceptional, not just circumstances that make it difficult to deliver services. Further, PIAC considered that the six-week timeframe should provide ample time to resolve difficult situation.<sup>157</sup>

### **Allowing customers to choose a more preferable installation date**

A number of stakeholders recommended that customers in shared fusing situations should be able to agree to a date outside of the timeframes, should they wish to do so.<sup>158</sup> Ausgrid and Endeavour Energy considered this was consistent with the rules developed in the *Metering installations timeframes* rule change, and would provide a better customer experience.<sup>159</sup>

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150 SA Power Networks, submission to the draft determination, pp. 1-3 and supplementary submission to the draft determination, p. 2-3.

151 Submission to the draft determination: Ausgrid, p. 2; Endeavour Energy, p. 1 and supplementary submissions to the draft determination: SA Power Networks, p. 3; ENA, p. 1.

152 Energy Queensland, submission to the draft determination, p. 6.

153 SA Power Networks, submission to the draft determination, pp. 1-3 and supplementary submission to the draft determination, p. 2-3.

154 Energy Queensland, submission to the draft determination, p. 5.

155 Endeavour Energy, Supplementary submission to the draft determination: Endeavour Energy, p. 1; PlusES, p. 2, EnergyAustralia, p. 2; Vector, p. 2.

156 PlusES, supplementary submission to the draft determination, p. 2.

157 PIAC, supplementary submission to the draft determination, p. 2.

158 Submissions to the draft determination: TasNetworks, pp. 1-2; Ausgrid, p. 1; Endeavour Energy, pp. 1-2; Energy Queensland, p. 5, CMIG, p. 4 and supplementary submissions to the draft determination: ENA p. 1; Endeavour Energy, p. 1, EnergyAustralia p. 2, Vector, p. 2.

PIAC expressed support for allowing a date to be agreed with the customer, but considered that any agreed date should have to sit within the defined timeframes.<sup>160</sup>

Simply Energy expressed concern that the customer requesting the meter installation would likely be the focus of the timeframe, which could reduce the chance for negotiation for other customers sharing the fuse.<sup>161</sup> Vector Energy considered that negotiation between all affected customers needed to be allowed, not just the customer requesting the meter exchange.<sup>162</sup> EnergyAustralia was also of the view that the needs of other customers should also be considered.<sup>163</sup>

Conversely, PlusES considered customer choice would increase complexities for managing installation dates and compliance with time frames, and would increase with the number of customers impacted. PlusES considers the planned interruption notification requirements provide adequate time to make arrangements for supply interruption.<sup>164</sup>

#### 4.2.2

#### Ability to install other meters at the same time

##### Extending the installation timeframes to facilitate additional meter installations

In submissions to the draft determination, a number of retailers suggested that the meter installation timeframes proposed in the draft determination be extended to allow retailers to carry out the replacement of family failure meters, or to carry out the installation of smart meters under a retailer-led rollout.<sup>165</sup>

Stakeholder views expressed at the stakeholder workshop on 20 April 2020 were mixed, with some retailers favouring an amendment to the timeframes to allow for other meters to be replaced, and DNSPs expressing concern that such an approach would lead to prolonged outages, potential safety risks and coordination and timing issues. Some DNSPs reiterated these views in supplementary submissions to the draft determination.<sup>166</sup>

AGL, Simply Energy, Red Energy/ Lumo Energy, EnergyAustralia and the AEC considered that retailers should be able to utilise planned interruptions relating to metering to replace all meters at the site, including retailer-led roll-out. They considered that the 25 business day timeframe for the DNSP to carry out the supply interruption does not allow retailers to also carry out new meter deployment, therefore, the timing provisions should be removed, or extended. Vector suggested that the timeframes should allow retailers and MCs to coordinate their work to replace multiple meters at a supply interruption.<sup>167</sup>

<sup>159</sup> Submissions to the draft determination: Ausgrid, p. 2; Endeavour Energy, p. 2.

<sup>160</sup> PIAC, supplementary submission to the draft determination, p. 1.

<sup>161</sup> Simply Energy, submission to the draft determination, p. 2.

<sup>162</sup> Vector, supplementary submission to the draft determination, p. 2.

<sup>163</sup> EnergyAustralia, supplementary submission to the draft determination, p. 2.

<sup>164</sup> PlusES, supplementary submission to the draft determination, pp. 2-3.

<sup>165</sup> Submissions to the draft determination, AGL, p. 1, 4; AEC, p. 2; Simply Energy, p. 2; Red Energy/Lumo Energy, pp. 1-3; Vector, p. 3 and supplementary submissions to the draft determination: Vector, p. 3.

<sup>166</sup> Supplementary submissions to the draft determination: SA Power Networks, p. 3; Endeavour Energy, p. 2

<sup>167</sup> Submissions to the draft determination: AGL, pp.1-4; Simply Energy, p. 2; Red Energy/Lumo Energy, pp. 1-3; AEC, p. 2; Vector, p. 3 and EnergyAustralia, supplementary submission to the draft determination p. 3.

Alternatively, AGL suggested that the retailer led smart meter roll-out communication processes be relaxed to allow this to occur, as this will reduce the occurrence of planned interruptions for customers with shared fusing.<sup>168</sup>

SA Power Networks, Endeavour Energy, Plus ES did not support enabling multiple retailers to carry out meter replacement when a distributor planned interruption for meter replacement is scheduled. They considered that this would likely result in higher costs, longer outages, poor customer experience and safety concerns as it is not practical for more than one person to work on a switchboard at one time. Additionally, all meter providers would need to wait until all meters are installed and supply is restored to complete commissioning tests. Endeavour Energy considered that the introduction of delays to allow for installation of meters from other retailers would conflict with the objective of the rule change proposal.<sup>169</sup>

Endeavour Energy also raised concerns around which party would be liable to pay for the distributor planned interruption and how costs may be shared.<sup>170</sup>

#### **Notification of planned interruptions via B2B processes**

The AEC, AGL, Red Energy/Lumo Energy, Simply Energy, Vector and CMIG recommended that notification of planned interruptions for meter installation be notified via B2B Procedures to allow retailers the opportunity to efficiently utilise the planned interruption for smart meter roll-out.<sup>171</sup> AGL was of the view that this would provide an opportunity for other retailers to also carry out meter exchanges on the nominated date, and reduce the number of supply interruptions the customers would experience.<sup>172</sup>

PlusES considered that the provision of distributor planned supply interruption notifications via B2B process for all distributor planned interruptions would provide benefit to all market participants. It considered that this requirement would both allow planned interruptions to be leveraged to schedule metering works thereby reducing the number of planned interruptions that customers experience, and reduce resource effort in investigating meter communication faults and alarms which may be caused by the supply interruption.<sup>173</sup>

ENA in its submission to the Commission following the stakeholder workshop, did not consider that an obligation to notify all affected retailers via B2B should be introduced. In its view, this would result in increased costs for minimal practical benefit.<sup>174</sup>

EnergyAustralia and Red Energy/Lumo Energy expressed concern with how retailers receive notification of distributor planned interruptions currently. They do not consider that the

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168 AGL, submission to the draft determination. pp. 1, 4.

169 Supplementary submissions to the draft determination: SA Power Network p. 3; Endeavour Energy, p. 2; PlusES, p. 2.

170 Endeavour Energy, supplementary submission to the draft determination, p. 2.

171 Submissions to the draft determination: AEC, p. 2; AGL, p. 3; Red Energy/Lumo Energy, pp. 3-4; Simply Energy, p. 2; Vector, p. 5; CMIG, p. 4.

172 AGL, submission to the draft determination, p. 3.

173 PlusES, supplementary submission to the draft determination, p. 3.

174 ENA, supplementary submission to the draft determination, p. 1.

notification methods are adequate, and this will continue to be an issue for distributor planned interruptions relating to shared fusing.<sup>175</sup>

#### 4.2.3 **Clarification of retailer planned interruptions and planned interruption notice information requirements**

Stakeholders were supportive of the proposed changes to the NERR to make it clear that a retailer is able to interrupt supply to any of its customers for the purpose of installing, maintaining, repairing or replacing metering equipment, not just the customer receiving the meter. Momentum Energy, Endeavour Energy, AGL and TasNetworks considered the clarification that retailers can interrupt supply to any of its customers will support positive outcomes for customers.<sup>176</sup>

AusNet Services proposed that changes are made to enable the coordination of supply interruptions with multiple retailers, for example by allowing the use of NMI Discovery for coordination between retailers.<sup>177</sup>

#### 4.2.4 **Recording of shared fusing information**

##### **Recording of shared fusing information and making this information available to market participants**

Stakeholders had mixed views on the benefits of recording shared fusing information. A number of stakeholder expressed support for the introduction of a requirement for shared fusing to be recorded and made available to market participants, including EWOSA, the South Australian Department for Energy and Mining, Momentum Energy, AGL, Origin Energy and Simply Energy.<sup>178</sup> Conversely, some stakeholders, including AusNet Services, TasNetworks, Citipower, Powercor and United Energy, Energy Queensland and Endeavour Energy did not support the introduction of such an obligation.<sup>179</sup> Most stakeholders agreed it was likely a complex process.

CMIG considered that registering customers with shared fusing will likely be complex to maintain and update, but may add some value if it can be flagged against a NMI.<sup>180</sup>

Momentum Energy considered that the recording of shared fusing information would progressively assist retailers and MCs to identify sites with shared fusing prior to carrying out a site visit, improving efficiency.<sup>181</sup> Simply Energy expressed strong support for the proposed rule to require DNSPs to record shared fusing information once they become aware of it.<sup>182</sup> AGL supported the rule, and suggested that DNSPs be required to inspect sites for shared

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175 EnergyAustralia, supplementary submission to the draft determination, p. 3 and Red Energy/Lumo Energy submission to the draft determination, p. 2.

176 Submissions to the draft determination: AGL, p. 1; TasNetworks, p. 1; Momentum Energy, p. 2; Endeavour Energy, p. 1.

177 AusNet Service, submission to the draft determination, p. 1.

178 Submissions to the draft determination: EWOSA, p. 2; South Australian Department for Energy and Mining, p. 1; Momentum Energy, p. 2; AGL, p. 4; Origin Energy, pp. 1-2; Simply Energy, p. 1.

179 Submissions to the draft determination: Citipower, Powercor and United Energy, p. 1; AusNet Service, p. 1; Energy Queensland, pp. 6-7 and Endeavour Energy, supplementary submission to the draft determination, p. 1.

180 CMIG, submission to the draft determination, p. 3.

181 Momentum Energy, submission to the draft determination, p. 2.

182 Simply Energy, submission to the draft determination, p. 1.

fusing when the DNSP undertakes any site visits, and that if the MC discovers shared fusing they should notify the DNSP directly, as well as informing the retailer via current agreed processes.<sup>183</sup> Origin Energy also supported the requirement, and recommended that the recorded information should include which additional addresses share the fusing so the retailer can determine if it is the retailer for the additional sites. Origin Energy also recommended that a timeframe of five business days apply to updating MSATS with shared fusing information once DNSPs become aware of a shared fuse.<sup>184</sup>

ENA submitted that while DNSPs generally support updating MSATS with shared fuse information, they do not support supplying the same information via B2B as this is duplication of effort and costs.<sup>185</sup>

In contrast, TasNetworks, AusNet Services, Energy Queensland and Citipower, Powercor and United Energy expressed concern over the cost of system changes which would be required to record shared fusing information and recommended that steps be taken to reduce these costs such as aligning these requirements with other system updates.<sup>186</sup> AusNet Services expressed concern that the establishment of B2B processes and system changes would be costly when it is unlikely that there would be many shared fuses in Victoria.<sup>187</sup>

Endeavour Energy did not support the inclusion of an obligation to develop and maintain a register of installations with a shared fusing in the final rule. In its supplementary submission after the stakeholder workshop, Endeavour Energy expressed concern that the creation of a shared fuse register may discourage MPs from conducting initial site visits, which would be useful to determine if there were any other issues such as restricted access or safety defects. If these are not discovered prior to the DNSP interrupting supply then the meter installation work may be delayed, increasing costs to install the meter, and causing inconvenience to the customer.<sup>188</sup>

Vector considered that the requirements to record shared fusing information may have limited value, and considered that this information should be made available prior to a MC attempting to install a meter. Further, Vector was of the view a site visit would still be required to see if there are other issues such as compliance issues, defects and access issues also be present at the site.<sup>189</sup> Similarly, EnergyAustralia considered that recording shared fusing information would only reduce site visits if the MC had already determined there were no other impediments (such as a non-compliant meter board) to the meter installation proceeding.<sup>190</sup>

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183 AGL, submission to the draft determination, p. 4.

184 Origin Energy, submission to the draft determination, pp. 1-2.

185 ENA, supplementary submission to the draft determination, p. 1.

186 Submissions to the draft determination: TasNetworks, p. 2; AusNet Services, p. 1; Citipower, Powercor and United Energy, p. 1; EnergyQueensland, pp. 6-7.

187 AusNet Services, submission to the draft determination, p. 1.

188 Endeavour Energy, supplementary submission to the draft determination, p. 1.

189 Vector, submission to the draft determination, p. 4, and supplementary submission to the draft determination, p. 2-4.

190 EnergyAustralia, supplementary submission to the draft determination, p. 4.

SA Power Networks recommended that this obligation be removed while further analysis is undertaken to determine the costs and benefits of the obligation.<sup>191</sup>

#### **Verification of shared fusing information**

There were additionally mixed views on whether the shared fusing information should be audited or verified. The South Australian Department for Energy and Mining recommend that the information should not be audited, as the costs would outweigh the benefits.<sup>192</sup>

Other stakeholders expressed concern that inaccurate records would result in inefficiencies and reduce confidence in the use of the register. However, maintaining up-to-date information may be complicated and onerous with significant costs incurred in both implementing systems and ongoing maintenance of data.<sup>193</sup> PlusES considered that the information would need to be verified, by a visual inspection to reduce the risk of wasted site visits and enable retailers to rely on the information.<sup>194</sup>

#### **Requirement to provide information on shared fusing on meter malfunction service orders**

Ausgrid did not consider that the requirement to provide information on whether a site had shared fusing on the metering malfunction service order was necessary if this information would be available in MSATS.<sup>195</sup> PlusES suggested that instead of requiring shared fusing information to be included in the metering malfunction notice, the obligation should be that the MC provide the information, in a manner determined in the metrology procedures.<sup>196</sup>

In contrast, Momentum Energy and AGL expressed support for the requirement for DNSPs to provide shared fusing information when advising retailer of meter malfunctions.<sup>197</sup>

A requirement for MCs to inform DNSPs where a meter protection device has been installed at a shared fuse site was suggested by Endeavour Energy. Endeavour Energy considered this would assist in providing an up-to-date register.<sup>198</sup>

### **4.2.5**

#### **Commencement of the rules**

##### **Commencement of meter installation timeframes**

There were a number of suggested amendments to the commencement dates for the obligations under the rules proposed by stakeholders. Many of the suggestions related to the commencement date for the recording of shared fusing information. Stakeholders also provided feedback on the implementation of the meter installation timeframes, supply

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191 SA Power Networks, submission to the draft determination, p. 3 and supplementary submission to the draft determination, p. 4.

192 South Australian Department for Energy and Mining, submission to the draft determination, p. 1.

193 Submissions to the draft determination: Energy Queensland, pp. 6-7; SA Power Networks, pp. 3-4 and Endeavour Energy, supplementary submission to the draft determination p. 2.

194 PlusES, supplementary submission to the draft determination, p. 6.

195 Ausgrid, submission to the draft determination, p. 1.

196 PlusES, submission to the draft determination, p. 4.

197 Submission to the draft determination: Momentum Energy, p. 2; AGL, p. 4.

198 Endeavour Energy, submission to the draft determination, p. 2.

interruption timeframes and changes to the model terms and conditions for standard retail contract and deemed standard connection contracts.<sup>199</sup>

Timeframes suggested by stakeholders included a:<sup>200</sup>

- three-month transition period to partially remove backlogs
- three to six-month implementation period if flexibility of installation timeframes is included, or otherwise a longer period would be required
- six-month implementation to allow for interfaces between the requesting retailers and DNSPs to be developed and reduce backlogs
- twelve-month implementation period of all obligations under the rule to allow for system and process updates and remove backlogs
- a longer timeframe to allow for adequate consultation on changes to market and participant systems, workflows and processes and updates to commercial agreements.

Vector considered that the implementation timeframes in the draft rule are onerous and not realistic to allow retailers, DNSPs and MCs to make changes to their systems and processes, but did not provide a suggested alternative timeframe.<sup>201</sup>

#### Shared fusing information implementation timeframe

A number of stakeholders recommended additional time for the commencement of an obligation to record shared fusing information, should it be introduced. Some DNSPs submitted that the draft rule would require updates to both their B2B systems as well as MSATS, and recommended that the time for those upgrades be extended and/or be aligned with other upgrades — for example five minute and global settlement rule changes.<sup>202</sup>

AEMO considered that a minimum of seven months (potentially more) is required to allow for consultation, as well as notification and implementation time as required under clause 7.16.3(b) of the NER.<sup>203</sup> Similarly, Red Energy/Lumo Energy recommended that AEMO must consult on any solution amending the metrology procedures, and that the implementation timeframes be amended to allow for this consultation.<sup>204</sup>

SA Power Networks considered a minimum of 18 months would be required to determine, consult on and implement changes required to enable DNSPs to record shared fusing information as proposed.<sup>205</sup> Further, its supplementary submission to the draft determination SA Power Networks submitted that if a requirement to record shared fusing were to proceed

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199 Submissions to the draft determination: Citipower, Powercor and United Energy, p. 1; TasNetworks, p. 2; Ausgrid, p. 1; Endeavour Energy, p. 2; Energy Queensland, p. 7 and supplementary submissions to the draft determination: ENA, p. 1; SA Power Networks, p. 3; EnergyAustralia, p. 4.

200 Submissions to the draft determination: Endeavour Energy, p. 2; SA Power Networks(supplementary submission), p. 3; Origin Energy, p. 2; Ausgrid, p. 1; Energy Queensland, p. 7.

201 Vector, submissions to the draft determination, pp. 5-6.

202 Submissions to the draft determination: Citipower, Powercor and United Energy, p. 1; TasNetworks, p. 1; Ausgrid, p. 1; Endeavour Energy, p. 2; Energy Queensland, p. 7; Vector, p. 6 and supplementary submissions to the draft determination: Citipower, Powercor and United Energy, p. 2; Endeavour Energy, p. 2; EnergyAustralia, pp 3-4; SA Power Networks, p. 4, Vector, p. 3.

203 AEMO, submission to the draft determination, p. 3.

204 Red Energy/ Lumo Energy, submission to the draft determination, p. 34

205 SA Power Networks, submission to the draft determination, p. 3.

then the work should have a lower priority than other changes such as five minute and global settlements.<sup>206</sup>

#### 4.2.6 Other issues raised by stakeholder

##### Meter panel replacement

Simply Energy recommended that meter panel replacement, as well as the cost of meter panel replacement be addressed under the proposed rule. Simply Energy considers that replacing all of the meters at one time, including the meter panel, if required, would result in less interruptions than if meters are replaced singly or in small batches.<sup>207</sup>

#### 4.2.7 Concerns relating to costs and site visits under the draft rule

Powermetric expressed concern that, under the draft rule, it estimated that a minimum of three site visits would be required to carry out metering work where there is shared fusing.<sup>208</sup>

EnergyAustralia submitted it would need to pay approximately \$600 in New South Wales for the distributor planned interruption, and that its MPs currently only met the DNSP's window to arrive for the supply interruption 76% of the time, incurring additional fees the other 24% of the time and potentially exposing EnergyAustralia to civil penalties. EnergyAustralia estimates that overall cost to retailers under the draft rule could be \$5-8 million (including potential civil penalties).<sup>209</sup>

MEA considered that the costs of the draft rule have not been adequately weighted against the consumer protections of the other impacted customers, with consumer protections too highly weighted in its opinion. MEA estimated that the draft rule would result in a nine-week timeframe for meter installations where there is shared fusing, as well as four site visits. MEA estimated that in the NEM there could be as many as 600,000 meters with shared fusing and further estimated the cost would be approximately \$1,200 to replace each meter with shared fusing. MEA submitted that it could take around \$720 million to replace all shared meters over around 24 years under the draft rule according to its calculations.<sup>210</sup>

### 4.3 The Commission's final position

In making the final rule that Commission has:

- considered stakeholder feedback to the draft determination, both written submissions and stakeholder feedback and presentations at the public workshop on 20 April 2020
- investigated an alternative solution proposed by a cohort of stakeholders which require DNSPs to install separate isolation devices where shared fusing is discovered, and
- considered Arup's report into the proposed alternative solution.

206 SA Power Networks, supplementary submission to the draft determination, p. 4.

207 Simply Energy, submission to the draft determination, p. 2.

208 Powermetric, submission to the draft determination, p. 2.

209 EnergyAustralia, submission to the draft determination, p. 2.

210 MEA, submission to the draft determination, p. 4.

The Commission has decided that the most appropriate solution, at this time, for reducing meter installation delays for customers with shared fusing is to make a final rule which is largely consistent with the draft rule, with some amendments to improve the application of the rule.

As noted in Chapter 3, the Commission continues to agree with concerns raised by stakeholders in submissions to the consultation paper that the proponent's proposed rule solution, if adopted, would leave consumers without recourse to consumer protections. The Commission received no compelling arguments in subsequent consultation which satisfactorily addressed these consumer protection issues.

The Commission also considered an alternative solution to require DNSPs to install separate isolation devices for all customers with the shared fusing at the first supply interruption to install a meter. To enable this solution, changes would have to be made to both the national and jurisdictional regulatory framework, as it is likely that the isolation device would have to be installed on the customers' installation, where the DNSPs are currently prevented to operate on under current arrangements. Although changes to the regulatory framework may be possible, such changes are beyond the original scope of the rule change. The rectification of shared fusing, along with issues relating to the meter panel more generally should be considered as part of a more holistic review, potentially as part of the Commission's metering review which is due to commence at the end of 2020.

The Commission considers that utilising existing relationships and obligations between retailers, DNSPs and metering parties is a more effective approach to address the issues raised in the rule change request. It will assist in addressing the underlying issue without creating additional risks for consumers by providing timeframes for the installation of meters for customers with shared fusing, as well as options to allow for flexibility depending on the circumstances of the site. The Commission is of the view that the more preferable draft rule provides important consumer protections for all impacted customers, not just the customer receiving the new or replacement meter. Consequently, the Commission considers that the more preferable rule better contributes to the NEO, and the NERO (including the consumer protections test).

The final rule:

- clarifies the retailers' ability to undertake retailer planned interruptions for all of its own customers, provided the existing notice or consent requirements are met
- introduces timeframe obligations on retailers and DNSPs to install or replace a new meter in shared fusing situations
- allows customers to agree to an alternative installation timeframe, consistent with the *meter installation timeframes* rule change
- introduces obligations on DNSPs to coordinate with other parties and arrange a distributor planned interruption within a specified period where a retailer planned interruption is not suitable

- requires AEMO to update the metrology procedure to include a requirement for DNSPs to record information (the Commission understands from AEMO this would likely be within MSATS) where they become aware that a site has a shared fuse.

Further detail of the final rule, along with the Commission's analysis and considerations are discussed in the following sections.

#### 4.3.1 **Additional meter installation and planned interruption timeframes**

In the draft rule, it was proposed that a timeframe of 30 business days (from the time the shared fusing is discovered) should apply to the installation of meters where there is shared fusing. Additionally, it was proposed that, where requested to carry out a distributor planned interruption for the purpose of metering, the DNSP be required to carry out the planned interruption within 25 business days.

Most stakeholders supported timeframes being imposed for the installation of meters where there was shared fusing, and for DNSPs to carry out a planned interruption to facilitate the installation of the meter. Nevertheless, in submissions to the draft determination, and in feedback at the stakeholder workshop, a number of suggested amendments to the timeframe were proposed. These were to:

1. Allow customers to agree an alternative installation date
2. Provide an exemption to the timeframe to allow DNSPs to prioritise critical work
3. Extend meter installation timeframes to allow other retailers to utilise the planned interruption to install other meters

The first two of these are discussed under the installation timeframes for retailers and MCs and the obligations on distributor planned interruptions for DNSP headings respectively below. The third suggested amendment to extend the timeframes to allow for other retailers to utilise the interruption is discussed in section 4.4.2.

##### **Installation timeframes for retailers and MCs**

Under the final rule, where the shared fusing scenario solely applies (and there are no other exceptions to the meter installation timeframes), the retailer is required to arrange the meter installation on a date no later than 30 business days from the date the retailer becomes aware of the exception. An equivalent timeframe to the repair or replacement of malfunctioning meters, also applied with MC being required to repair (or replace) the meter within 30 business days of it becoming aware that repairing the malfunction requires interrupting supply to another retail customer.

Most stakeholders were supportive of a timeframe being introduced, however, stakeholders held different views on the length of the timeframe, and whether any exceptions should apply to the timeframe.

The Commission considers that the provision of timeframes for the installation of meters where the shared fusing exception is triggered is beneficial as it provides the customer with certainty around meter installation timeframes, and it helps retailers set expectations around

installation timeframes. The Commission also considers that this will reduce delays for meter installation that customers with shared fusing may currently experience.

The Commission considers that allowing retailers and MCs a period of 30 business days from the date the retailer or MCs discovers the shared fusing to install a meter provides a balance between meeting customer's expectations and enabling retailers and MCs time to coordinate with other retailers or DNSPs as required.

Under the timeframes, the retailer or MC have five business days to determine if the retailer is also the retailer of the other customers sharing the fuse and can therefore carry out a retailer planned interruption, or to coordinate with other retailers to carry out retailer planned interruptions before they need to request a distributor planned interruption in order to meet the required timeframes under the rule.

The Commission agrees with stakeholders that it would be beneficial to allow customers to agree to an installation date outside of the mandated timeframes where the customer has requested a new meter. Providing customers and retailers with the flexibility to agree on a date range is likely to improve efficiency in meter installations, and provides customers with greater choice.

For a customer initiated meter replacement, if a distributor planned interruption is required to facilitate the installation of the customers meter, and the customer and the retailer are negotiating a date for installation, it follows that the DNSP would also need to be involved in determining an agreeable date. If the DNSP is not included in determining the agreed date, there is a risk that the customer and the retailer may agree to a specific date and then discover the DNSP is unable to carry to the distributor planned interruption on that date. Therefore, the Commission considers that the retailer should agree a date with the customer, and, if the DNSP is required to carry out a distributor planned interruption to enable to meter installation to occur, also agree a date with the DNSP.

The Commission does not consider that amending the provision to include a customer agreed date for meter malfunction would provide benefits as this scenario is likely to have multiple customers whose meter require replacement. In addition, the meter replacement is not at the request of a specific customer and coordination of agreement between customers to find an appropriate date is more difficult. Further, the Commission notes that the MC is able to apply for exemptions from the timeframes with AEMO for meter malfunction, which provides the MC with greater flexibility to arrange for the meter repair or replacement.

### ***The final rule***

Therefore, the Commission has amended the draft rule to enable customers who have requested a new meter to agree to a specific meter installation date, even if this date is outside of the mandated timeframes. This change aligns with the changes made under the meter installation timeframes rule change, and provides customers with greater choice. Where the shared fusing scenario solely applies (and there are no other exceptions to the meter installation timeframes), the retailer would be required to arrange the meter installation on a date agreed with the customers and the DNSP (where they are required to carry out a distributor planned interruption). If no date is agreed, the retailer must arrange

for the meter installation no later than 30 business days from the date the retailer becomes aware of the exception.

For the repair or replacement of malfunctioning meters, the MC is required to repair (or replace) the meter within 30 business days of it becoming aware that repairing the malfunction requires interrupting supply to another retail customer. The existing clauses relating to seeking an exemption from timeframes relating to the repair or replacement with AEMO remain.

#### **Obligations on distributor planned interruptions for DNSPs**

The draft rule introduced new obligations on DNSPs where a distributor planned interruption is needed to interrupt supply in shared fusing situations where multiple customer and multiple retailers are involved. These new obligations are:

- **Maximum timeframe to carry out interruption.** Where a retailer has requested a distributor planned interruption to enable the installation, repair or replacement of metering equipment, the DNSP must carry out the interruption within 25 business days of the request.
- **Requirement to coordinate.** The DNSP must coordinate the interruption with the retailer and other relevant parties in order to allow the retailer or the MC to comply with their timeframe obligations in relation to the installation, repair or replacement of a meter.

The Commission continues to consider that these obligations are necessary to support the new timeframe obligations on retailers and MCs to complete meter installations or replacements in shared fusing situations. However, with the amendment of the meter installation timeframes where there is shared fusing to allow customers and DNSPs to agree to a date for the meter installation, there are some amendments to the metering coordinator and distributor assistance and cooperation provision in the draft rule that also require amending.

The 25 business day timeframe to arrange a supply interruption will commence from the date the retailer requests a supply interruption for the purposes of metering. If the retailer and the customer negotiate a different installation date, the retailer will need to coordinate and negotiate this timeframe with the DNSP. The changes to the meter installation timeframes for shared fusing to require the retailer to agree to a date with both the customer and the DNSP where the DNSPs is required to carry out a distributor planned interruption to enable the meter installation.

With these changes to the meter installation timeframes requirements in the NER, the Commission considers that the explicit requirement for the DNSP to coordinate the interruption with the retailer and other relevant parties in order to allow the retailer or the MC to comply with their timeframe obligations in relation to the installation, repair or replacement of a meter in the NERR is not required. Further, some stakeholders interpreted this obligation as a requirement for the DNSP to coordinate the planned interruption. This was not the intention of the rule, rather it was intended to require all parties to cooperate to

facilitate the installation of a customer's meter within the required timeframes. The Commission considers that the new rule in the NER more appropriately covers this obligation.

The 25 business day timeframe applies where the retailer or MC has requested a supply interruption for the purposes of metering. Origin Energy, in its submission to the draft determination, recommended that the 25 business day timeframe for the DNSP to carry out a planned interruption should apply in all situations where the MP cannot isolate the fuse and the retailer is required to request a distributor planned interruption.<sup>211</sup> The Commission considers that the final rule would cover these scenarios and require a DNSP to carry out a planned interruption within 25 business days of receiving the request from the retailer.

#### ***Proposed exceptions to the 25 business day timeframe***

Exceptions to the 25 business day timeframe were proposed by stakeholders in cases where the DNSP needs to prioritise critical work, where there is a large volume of requests from MC stemming from family failure replacements or where coordination between multiple parties was required.

It was submitted by stakeholders that there is a general acceptance that supply restoration and unplanned work takes precedence over planned work in the energy industry. That is, safety considerations and restoring supply to customers is generally prioritised over carrying out unplanned outages for maintenance or for meter installation.

The Commission acknowledges that there will be instances, such as severe weather events, which may impact on DNSPs meeting the 25 business day timeframe for carrying out a planned interruption. Providing for an exception in these type of events, and determining how long the impacts of these events may impact on the DNSP carrying out other works is complex and hard to codify. Additionally, widespread outages covering large areas of the network are relatively infrequent.

The final rule will allow customers and DNSPs to agree to a date of installation with the retailer that is outside of the mandated timeframes. The retailer who has requested the interruption will coordinate with the customer and the DNSP. It is the Commission's view, that should circumstances arise (such as a severe weather event) that the rule will enable the DNSP to coordinate with the retailer to arrange with the customer a future agreeable date for the installation of the meter. Further, the Commission notes that the AER's approach to compliance is risk-based, and the AER considers a range of factors in deciding an appropriate response to any non-compliances with the rules.

Therefore, the final rule will not specify an exception to the timeframes under which a DNSP must carry out a planned interruption for metering services which relates to severe weather events, or similar other events.

#### ***The final rule***

Where a retailer has requested a distributor planned interruption to enable the installation, repair or replacement of metering equipment, the DNSP must carry out the interruption on a

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<sup>211</sup> Origin Energy, submission to the draft determination, p. 1.

date agreed with the retailer and the customer, or failing agreement, within 25 business days of the request. The explicit requirement to coordinate the interruption with the retailer and other relevant parties in order to allow the retailer or the MC to comply with their timeframe obligations in relation to the installation, repair or replacement of a meter, has been removed as this is now covered in the meter installation timeframes requirements in the NER.

#### 4.3.2 **Whether to amend the rule to allow retailers to install other meters**

The Commission considered proposals by stakeholder to amend the draft rule to extend the meter installation timeframes where there is shared fusing to enable retailers to utilise the supply interruption to install other meters. The retailers that proposed this amendment suggested that allowing retailers to utilise the supply interruption to replace other meters which have family failures, or to install meters under the retailer's smart meter roll out would provide efficiencies and reduce the number of supply interruptions experienced by the customer.

In conjunction with suggestions that the meter installation timeframes for customers with smart meters be extended to allow other retailers to also install meters at the same time, a number of retailers recommended that DNSPs be required to inform all retailers of customers whose supply would be interrupted to allow a meter to be installed via B2B processes.

##### **Suggestion that installation timeframes allow for other retailers to utilise the supply interruption**

The Commission sought feedback on the proposed amendment to extend meter installation timeframes where there is shared fusing to allow other retailers to utilise supply interruptions at the stakeholder workshop on 20 April 2020. Although retailers were generally supportive of this amendment, DNSPs and other stakeholders raised practical issues with the implementation of this proposal.

On reviewing the feedback from the workshop, and in supplementary submissions the Commission is of the view that although extending the timeframes could potentially provide some efficiencies in reduced interruptions, if multiple MCs were to attend the premises to install meters, there could be scheduling and safety issues which would extend the outage duration (potentially significantly if there are many customers involved) and would introduce inefficiencies with the DNSP and all MCs required to remain on the premises until the last meter is installed and supply can be restored to customers.

Further, the Commission considers that the objective expressed in the proposed rule was to reduce installation delays for the customer requesting a new meter, extending the installation timeframes to enable other retailers or customers to take advantage of the supply interruption for the meter installation conflicts with this objective.

Consequently, the Commission has decided not to extend the installation timeframes to allow retailers to take advantage of the supply interruption to install other customers' meters.

The Commission considers that if retailers are able to access data on who the other retailers are of the customers sharing the fuse that they would be able to arrange for coordinated retail planned interruptions under the rule to install multiple meters under retail supply

interruptions. The Commission understands that retailers are not able to access this information via NMI Discovery, and that a separate NMI Discovery search would have to be developed by AEMO to enable this. However, retailers may still be able to access NMI information through clause 7.13.3 of the NER which states that a DNSP must, with 2 business days of a request of a retailer, provide the retailer with the NMI Standing Data for the NMIs identified in the request. A retailer must comply with jurisdictional privacy laws if they are requesting NMI Standing Data.

It should be explored further by retailers if this avenue would enable the coordination of retailer planned interruptions to facilitate the replacement of multiple meters under one interruption, if the original customer requesting the meter agrees to a specific meter installation date.

#### **Notification of planned interruptions via B2B processes**

A number of retailers and MCs recommended that notification of planned interruptions for metering installation be provided by the DNSP via the B2B process to allow retailers the opportunity to utilise the planned interruption to install meters for other customers, if possible.

Feedback provided in the 20 April 2020 workshop, as well as stakeholder feedback provided in the submissions and supplementary submissions to the draft determination on the notification of planned interruptions was considered by the Commission. Some retailers expressed dissatisfaction with the notification of planned interruptions received from DNSPs for any interruption of supply, and indicated that they did not consider the current notification methods to provide adequate information to easily identify the retailers customers impacted by supply interruptions

On review of the issue, the Commission is of the view that the information provided in, and method of delivering, planned interruption notifications in general appears to be a larger issue, which should be dealt with outside of the narrower scope of this rule change.

#### **The Commission's final position**

No changes will be made to the rule to extend the meter installation timeframes for customers with shared fusing to enable retailers to take advantage of the supply interruption to install other meters.

The Commission recommends that retailers access to NMI Standing Data, in particular to the current retailer (or FRMP) be reviewed, and AEMO investigate the development of a NMI Discovery Search 4 which would provide retailers with this data for the express purpose of coordinating retailer planned interruptions where there is shared fusing only.

The Commission recommends that the information provided in, and method of delivering planned interruption notifications is reviewed in other forums, such as future rule changes or reviews by the AEMC or AEMO.

### 4.3.3 Clarification of retailer planned interruptions

Stakeholder feedback on the clarification of retail planned interruptions in the draft rule was positive. The Commission continues to be of the view that the amendments to the model terms and conditions for customer contracts in the NERR to clarify that the retailer may arrange a retail planned interruption to the supply of electricity for the purpose of installation, maintenance, repair or replacement of an electricity meter help remove any confusion for market participants.

In keeping with the clarification to when retailer planned interruptions are able to be utilised, the Commission also continues to consider that the planned interruption notice the retailer sends to the customer should specify whether the interruption is for the purpose of installing, maintaining repairing or replacing an electricity meter for the notified customer, or for another customer.

Therefore, there is no further change to the model terms and conditions from the draft rule, and no changes to the proposed amendments to the retailer planned interruption notification requirements from the draft rule.

#### The final rule

The Commission's final position is that the model terms and conditions for customer contracts in the NERR should be amended to clarify that the retailer may arrange supply interruptions for any of its customers, not just the customer receiving the meter. The amendments will change the term 'your electricity meter' in relation to retailer planned interruption to 'an electricity meter' and makes it consistent with the definition of retailer planned interruption in rule 59B of the NERR.

The final rule also amends the planned interruption notification information requirements in rule 59C of the NERR to require the planned interruption notification to specify whether the interruption is for the purpose of installing, maintaining, repairing or replacing an electricity meter for the notified customer, or for another customer.

### 4.3.4 Recording of shared fusing information

#### Recording of shared fusing information and making this information available to market participants

In the draft determination the Commission recommended that information on shared fusing be captured and shared with market participants to minimise the number of wasted site visits, and to better manage customers expectations of meter installation dates. The draft rule required AEMO to include in its metrology procedures requirements on retailers and MCs to notify DNSPs as soon as practicable after becoming aware of shared fusing. DNSPs would then be required to record the shared fuse arrangements for multiple connection points as soon as practicable after becoming aware of the shared fuse arrangements. The draft rule also requires the metrology procedure to be updated to include requirements in relation to the management and access to shared fuse arrangements information.

Although there was support from some MCs and retailers for shared fusing information to be recorded and shared with market participants, some stakeholders questioned the costs of implementing the solution, or whether site visits would be reduced.

Some MCs and DNSPs were of the view that MCs would still need to visit the site prior to the DNSPs carrying out a site visit for supply interruption as the MC would need to determine if there were any other impediments to the meter installation being carried out such as safety or access issues. The Commission accepts that it is likely that a site visit by the MC will still be required to determine if there were any other site impediments, but still considers that the provision of information that the site shared a fuse with one or more other customers to be valuable information that will enable the retailer to set expectations around meter installation timeframes with the customer and provide a better customer experience.

The provision of shared fusing information will allow the retailer to inform the customer that the usual meter installation timeframes will not be possible due to shared fusing, prior to a supply interruption being planned. In the Commission's view, informing the customer of this information up front, rather than waiting for a failed meter installation provides for a better customer experience. Further, the MC will be able to better schedule their work knowing they will be attending the site for a scoping visit to determine if there are any other issues the customer needs to address, rather than expecting to carry out a meter installation and finding they are unable to carry out the installation due to shared fusing.

The Commission continues to consider that capturing information on shared fusing when parties become aware of it over time will improve consumer outcomes in the longer term.

Some stakeholders raised the costs of implementing a system of the recording shared fusing information, and for updating AEMO procedures. It was also noted that there is a lot of other changes currently scheduled to AEMO's systems which would also require changes to participants systems.

The Commission agrees that to minimise the costs both in system changes and resource allocation that the changes to AEMO's and participants systems should be aligned with other system updates, particularly with AEMO updates to standing data. The Commission understands that updates to standing data are scheduled for the end of 2021, and the Commission has aligned the implementation of this obligation with this update. Further details of implementation timeframes for the rule can be found in section 4.4.5 below.

Additionally, although there were some suggestions from stakeholders that the shared fusing information should be verified to improve efficiencies and confidence in the shared fusing data, the Commission continues to be of the view that auditing the shared fusing information would be onerous and the costs would outweigh the benefits. Therefore, there is no requirement to verify shared fusing information in the the final rule.

### ***The final rule***

The final rule has not changed from the draft rule. The final rule requires AEMO to include in its metrology procedures requirements on retailers and MCs to notify DNSPs as soon as practicable after becoming aware of shared fusing. DNSPs would then be required to record

the shared fuse arrangements for multiple connection points as soon as practicable after becoming aware of the shared fuse arrangements. The final rule also requires the metrology procedure to be updated to include requirements in relation to the management and access to shared fuse arrangements information.

The timeframe for implementation of this obligation has been changed from the draft rule, see section 4.4.5 below.

#### **Requirement to provide information on shared fusing on meter malfunction service orders**

The Commission has reviewed its position on the requirement to provide information on whether a site had shared fusing on the metering malfunction notice. The Commission considers that the costs of implementing this requirement, will not outweigh the benefits if this information is accessible in MSATS.

#### ***The final rule***

The final rule will not include a requirement for information on shared fusing to be provided on the metering malfunction notice. This differs from the draft rule.

### **4.3.5**

#### **Commencement of the rule**

In the draft rule the Commission proposed a commencement date of 26 March 2020 for the changes to Chapter 7 and clause 11.86.7 of the NER, as well as for changes to subrule 59C and 91A of the NERR and provisions relating to changes to the retail model terms and conditions for standard retail contracts and deemed standard connection contracts (Schedules 1 and 2 of the NERR). These provisions relate to metering installation timeframes, the provision of metering malfunction information to the MC, and the information provision requirements and timeframes for planned interruptions. This was the expected date of the publication of the final rule and determination.

Changes required to retailer's and DNSP's customer contracts required by changes to the model terms and conditions in the NERR and the NER amendments to the requirements of the metrology procedure and MSATS procedures were proposed to commence on 26 June 2020 under the draft rule. Changes relating to the metrology procedure were also due to commence on 26 June 2020.

After reviewing stakeholder feedback in submissions and supplementary submissions to the draft determination as well as feedback provided by stakeholders in the 20 April 2020 workshop, along with further analysis by the Commission, the commencement dates for the changes under the final rule have been amended. Details of the commencement dates for each provision are detailed below.

#### **Commencement of meter installation timeframes**

The Commission considers that the implementation timeframe relating to meter installation timeframes and the timeframes for DNSPs to carry out planned interruptions to enable meter installation to occur should be extended to allow retailers, MCs and DNSPs to make any

process changes required to comply with the new timeframes, and to enable DNSPs to reduce any current work backlogs.

The provisions in the final rule relating to meter installation timeframes for retailers and MCs, and the timeframe for DNSPs to carry out planned interruptions to enable the meter installation will now both commence on 21 July 2020.

#### **Commencement of changes to the model terms and conditions**

The Commission is cognisant that the required amendments to customer contracts may take time for each retailer to put in effect. Changes required by the draft rule to retailer's and DNSP's customer contracts required by changes to the model terms and conditions in the NERR and the NER amendments to the requirements of the metrology procedure and MSATS procedures will now commence on 21 August 2020. This timeframe will also align with the implementation of the Minor Changes 2 2020 Rule — Retail, which will make additional minor amendments to the model terms and conditions for standard retail contracts. This will allow retailers to make all the changes required simultaneously.

#### **Commencement of requirement to record shared fusing information**

As noted in section 4.4.4 above, to minimise the costs both in system changes and resource allocation, the Commission considers that changes to AEMO's and participants systems should be aligned with other system updates, particularly with AEMO updates to standing data. AEMO also noted that it is required carry out consultation on any amendments to the metrology procedures, and it is also required to provide advanced notification of any changes once the consultation is complete.<sup>212</sup>

The Commission understands that updates to standing data are scheduled for the end of 2021, and the Commission has aligned the implementation of this obligation with this update. However, the dates for the update to the standing data as well as dates for scheduled major system updates, such as for 5-minutes settlement and global settlement are not finalised.

Under the final rule, AEMO will be required to have implemented the changes as soon as practicable but no later than 30 March 2022. This change will allow AEMO to both undertake consultation, and to align the changes with other standing data changes already scheduled. Additionally, this will allow market participants to align these changes with other changes also being made such a 5-minute settlement and global settlements.

### **4.3.6**

#### **Issues the Commission consider warrant further analysis in other forums**

A number of pertinent issues were raised during consultation on this rule change which the Commission considers should be explored further.

The Commission considers that the responsibilities and accountabilities for meter panels, isolation devices and similar assets should be further analysed to determine the most appropriate safe and efficient management of issues associated with the devices, and these issues are worked on in a collaborative manner with industry, regulatory bodies, market

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<sup>212</sup> AEMO, submission to the draft determination, p. 3.

bodies and consumer groups. A more holistic review would be a more appropriate forum to consider this issue rather than through a rule change request with a narrower scope.

Some of these issues may be considered in the review on competitive metering arrangements that the Commission plans to commence in December 2020, others may best be addressed through other forums.

As noted above the Commission also recommends that retailers access to NMI Standing Data, in particular to the current retailer (or FRMP) be reviewed. As part of this review, the development of a NMI Discovery Search 4 which would provide retailers with this data for the express purpose of coordinating retailer planned interruptions where there is shared fusing only, should be considered.

Lastly, the Commission recommends that the information provided in, and method of delivering planned interruption notifications is reviewed to determine if the recipients are receiving the pertinent information in an efficient and easily accessible form. This review could be in future rule changes or reviews by the AEMC or AEMO.

## 5 ALTERNATIVE SOLUTION CONSIDERED

In submissions to the draft determination a cohort of stakeholders, including the rule proponent, proposed an alternative solution to both the rule proposal, and the draft rule published with the draft determination.<sup>213</sup>

The proposed alternative was that distributors be required to install separate isolation devices for each of the premises with shared fusing at the first supply interruption to install a new meter. The alternative solution had not been considered in detail previously, with costs (and their allocation), complexities and how the solution would work in practice unknown. Stakeholders had also not previously had a chance to review the proposed alternative solution and provide feedback.

Consequently, the Commission extended the time for making of the final rule and engaged an independent technical consultant, Arup, to provide an analysis of the proposed alternative solution. Arup was asked to determine the viability of the proposal, considering the costs of the proposed solution, how the solution could work, and practical issues and complexities. The Commission also held a stakeholder workshop where stakeholders' views on the proposed alternative solution were sought.

This chapter outlines:

- the proposed alternative solution suggested by a cohort of stakeholders
- stakeholder views on the proposed alternative solution
- key findings from the independent consultant's final report
- the Commission's analysis and final position on the proposed alternative solution.

### 5.1 An alternative solution proposed by a cohort of stakeholders

A cohort of stakeholders comprised of CMIG, Vector, PlusES, Powermetric, EnergyAustralia, Simply Energy, AGL, Red/Lumo and the AEC proposed an alternative solution to the rule change. The alternative solution was to impose an obligation on the DNSPs to use reasonable endeavours to install separate isolation points on all customers affected by shared fusing during the first supply interruption.<sup>214</sup>

The rule proponent, CMIG, who was one of the key supporters of this alternative solution, considered that the benefits of this approach would be to:<sup>215</sup>

- **Reduce likelihood of safety incidents by removing the need for multiple metering technicians to install metering equipment at the same time on the same metering board.**

<sup>213</sup> Submissions to the draft determination: CMIG, pp. 1.2; Red Energy/Lumo Energy, p. 3; Simply Energy, p. 3; AEC, p. 1; AGL, p. 1; Powermetric, p. 2; PlusES, p. 5; Vector, pp. 6-7; EnergyAustralia, p. 3.

<sup>214</sup> Submissions to the draft determination: CMIG, pp. 3-4; Red Energy/Lumo Energy, p. 3; Simply Energy, p. 3; AEC, p. 1; AGL, p. 1; Powermetric, p. 2; PlusES, p. 5; Vector, pp. 6-7; EnergyAustralia, p. 3.

<sup>215</sup> CMIG, submission to the draft determination, p. 4.

- Improve customer satisfaction by reducing the likelihood of either multiple power outages or one longer outage to accommodate the coordination of multiple installations of isolation devices and/or meters.
- Costs would be reduced for energy customers by resolving all of the isolation issues for a site during the initial network planned outage once and for all. There is effectively only one network "truck roll".
- Existing network regulatory cost recovery mechanisms can be used to ensure network businesses are compensated for the efficient delivery of the service to install isolation.
- Customers affected by shared isolation would be reduced as sites are resolved holistically meaning that a process to notify by retailers and metering coordinators and record by networks would be of limited benefit and potentially not be required at all.
- The need for coordinated site visits by network and metering field crews would be eliminated at the majority of sites (more complex scenarios may still require network attendance during the meter install). Once the isolation points have been installed any further interruptions for meter installation would only affect the customer receiving the meter.

## 5.2

## Stakeholder views

### 5.2.1

#### Submissions to the draft determination

The AEC, AGL, Powermetric, PlusES, Vector, Red Energy/Lumo Energy, EnergyAustralia and Simply Energy were in agreement with CMIG's proposal and recommended that an obligation was imposed on DNSPs to use reasonable endeavours to install isolation points on all customers affected by shared isolation during the first interruption, or once the shared fusing has been reported to the DNSP.<sup>216</sup>

Red Energy/Lumo Energy proposed that once a DNSP is aware of shared fuses at the site, the DNSP should have 25 business days to attend the site and split the fuses for the customers at each property.<sup>217</sup>

EnergyAustralia suggested that when a shared fuse is identified, or where work is required at a site with shared fusing, then all meters should either be replaced at the one visit, or separate isolation devices installed.<sup>218</sup>

Stakeholders who supported the alternative solution suggested that DNSPs should be able to recover the costs of installing the fuses as part of their standard control services, or via the existing network regulator cost recovery mechanisms.<sup>219</sup> EnergyAustralia and Vector

<sup>216</sup> Submission to the draft determinations: AEC, p. 1; Simply Energy, p. 3; Powermetric, p. 2; AGL, p. 1; PlusES, p. 5; Vector, pp. 6-7; Red Energy/Lumo Energy, p. 3; EnergyAustralia, p. 3.

<sup>217</sup> Red Energy/ Lumo Energy: submission to the draft determination, p. 3.

<sup>218</sup> EnergyAustralia, submission to the draft determination, p. 3.

<sup>219</sup> Submissions to the draft determinations: AEC, p. 1; Simply Energy, p. 3; Red Energy/Lumo Energy, p. 3; Powermetric, p. 2; PlusES, p. 5.

considered that the costs should be recovered by the DNSP and shared across the DNSPs customers base.<sup>220</sup>

The cohort of stakeholders who suggested the alternative solution considered that the benefits would include:<sup>221</sup>

- resolution of shared fusing for all sites that share a fuse
- reduced supply interruptions for customers with a shared fuse compared to the draft rule
- reduction in the need for coordinated site visits with DNSPs and MCs
- streamlining of meter installation timeframes
- the volume of sites with shared fusing will decrease over time
- no need to create mechanisms for the recording of shared fusing information.

## 5.2.2

### Views presented at the stakeholder workshop

The Commission held a well attended stakeholder workshop on 20 April 2020, with around 70 stakeholders joining in virtually. At the workshop the proposed alternative solution was discussed. Presentations were given by CMIG and EnergyAustralia, ENA and Arup, the independent consultant the AEMC engaged to review the alternative solution. PIAC and AEMO also provided viewpoints from a consumer group and a market body, respectively.

CMIG and EnergyAustralia presented data suggesting that the draft rule could cost up to \$224 million over many years. This was based on assumptions of an average cost of a distributor planned interruption of \$596, 10,000 sites with shared fusing to be rectified per year, and a minimum of 2 DNSP visits per site.<sup>222</sup> CMIG and EnergyAustralia suggested that amendments to the rules to reduce the number of site visits and the amount of coordination required would improve customer experience and reduce costs by 50-70%.<sup>223</sup>

CMIG and EnergyAustralia then outlined the proposed alternative solution as described in the beginning of this chapter. They noted that a timeframe could be placed on the DNSP to carry out the work. Along with the benefits identified in their submissions, they also noted that if the shared fusing is rectified, there will be no delays for future meter installations, and that retailers will be able to take advantage of this to increase smart meter deployment rates.<sup>224</sup>

ENA, in its presentation, noted that it considered that the discussion had drifted from the original intent of the *Metering coordinator planned Interruptions* rule change. ENA considered

220 Submissions to the draft determination: EnergyAustralia, p. 3; Vector, p. 7.

221 Submissions to the draft determination: AEC, p.1; Red Energy/Lumo Energy, p. 3; Simply Energy, p. 3; Powermetric, p. 2; AGL, p. 1; PlusES, p. 5; Vector, pp. 6-7.

222 In calculating the costs of the proposed rule, CMIG and EA's calculations multiplied the average cost of a distributor planned interruption in NSW by two as the DNSP would likely have to visit the premises twice. This appears to be an overestimation as the costs for attending the site would be included in the overall costs of carrying out a supply interruption for the purposes of metering. This was confirmed by Endeavour Energy, and can be seen in Endeavour Energy's Pricing Proposal 2019-2020, p. 114.

223 AEMC, Introduction of metering coordinator planned interruptions stakeholder workshop slides, 20 April 2020, slide 34, available online at <https://www.aemc.gov.au/rule-changes/introduction-metering-coordinator-planned-interruptions>

224 AEMC, Introduction of metering coordinator planned interruptions stakeholder workshop slides, 20 April 2020, slide 35, available online at <https://www.aemc.gov.au/rule-changes/introduction-metering-coordinator-planned-interruptions>

that the separate issue of shared fusing has wider implications and complexities, that deserve more thorough consideration through a separate rule change.<sup>225</sup>

ENA presented that the isolation fuse or circuit breaker is required to be within the customer's electrical installation, which is beyond the DNSP's point of supply under the current rules and frameworks. Distributors are currently precluded from performing work on a customer's electrical installation, which includes the meter isolation device. For existing metering installations with a shared fuse, the MP is responsible for providing the meter isolation device and wires in a manner to only isolate supply to a single installation. In ENA's view obligating DNSPs to install meter isolation devices undermines the separation of contestable work in regulated businesses.<sup>226</sup>

Other issues with the proposal which the ENA identified included:<sup>227</sup>

- there may be latent unsafe conditions, and DNSPs have a duty of care to not ignore obviously or potentially unsafe installations
- it is unclear whether this new proposal would contravene other obligations or restrictions
- the proposed changes may negatively impact on a contestable market by allocating contestable work to regulated entities
- the changes may provide benefits to a customer at the expense of other customers
- significant changes to DNSPs' existing systems, work practices and resources would be required to accommodate the new proposal.

ENA was of the view that complex scenarios (such as unsafe installation, insufficient board space etc) are better resolved by the isolation device being installed in conjunction with the installation of new meters. ENA considers this would provide for a better overall design, and would be more cost-effective. Further, ENA considered that a customer's assets should remain the responsibility of the customer, and that obligating DNSPs to install separate isolation devices further clouds the intent of metering contestability and responsibilities in the industry.<sup>228</sup>

At the stakeholder workshop PIAC also expressed concerns with the proposed alternative solution. PIAC considered that the original objective of the rule change should be focused on with a narrower pragmatic fix, such as the one in the AEMC's draft determination. It was suggested that the broader metering review would be appropriate to address larger issues.<sup>229</sup>

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225 AEMC, Introduction of metering coordinator planned interruptions stakeholder workshop slides, 20 April 2020, slide 39, available online at <https://www.aemc.gov.au/rule-changes/introduction-metering-coordinator-planned-interruptions>

226 AEMC, Introduction of metering coordinator planned interruptions stakeholder workshop slides, 20 April 2020, slides 39-40, available online at <https://www.aemc.gov.au/rule-changes/introduction-metering-coordinator-planned-interruptions>

227 AEMC, Introduction of metering coordinator planned interruptions stakeholder workshop slides, 20 April 2020, slides 40-42, available online at <https://www.aemc.gov.au/rule-changes/introduction-metering-coordinator-planned-interruptions>

228 AEMC, Introduction of metering coordinator planned interruptions stakeholder workshop slides, 20 April 2020, slides 42, 45, available online at <https://www.aemc.gov.au/rule-changes/introduction-metering-coordinator-planned-interruptions>

229 AEMC, Introduction of metering coordinator planned interruptions summary of discussions, 20 April 2020, p. 4, available online at [https://www.aemc.gov.au/sites/default/files/documents/erc0275\\_stakeholder\\_workshop\\_20\\_april\\_2020\\_discussion\\_summary\\_0.pdf](https://www.aemc.gov.au/sites/default/files/documents/erc0275_stakeholder_workshop_20_april_2020_discussion_summary_0.pdf)

### 5.2.3 Supplementary submissions to the draft determination

In supplementary submissions to the draft determination DNSPs expressed concern with the proposed alternative solution, and noted they did not support the proposal. PIAC similarly did not support the alternative proposed solution. EnergyAustralia and PlusES expressed continued support for the alternative proposal and considered it should be explored further.<sup>230</sup>

EnergyAustralia recommended that additional assessment be conducted into how DNSPs could arrange for the installation of isolation devices within the limits of jurisdictional legislation, regulations and Service and Installation Rules, potentially through the DNSP contracting the work via a tender processes where they are not allowed to install the device under the rules.<sup>231</sup> PlusES similarly supported further exploration and analysis of the alternative proposed option where the shared fuse is resolved upfront, again noting the benefits it considered the alternative solution would provide.<sup>232</sup>

In contrast, DNSPs and PIAC recommended that the alternative proposal should not proceed at this time. They considered that the proposal went beyond the scope and intent of the initial proposal, raising a range of complex issues difficult to address, and that it would be more appropriate for it to be the subject of a separate rule change or review.<sup>233</sup> PIAC recommended that a comprehensive review of metering, fusing and service board related issues take place as soon as possible.<sup>234</sup>

The key concerns raised by DNSPs related to their ability to carry out the work under the current regulatory framework, the impact on contestable work, the impact of additional responsibility, resourcing and costs onto DNSPs, and the complex situations which are likely to be encountered where there are safety or space issues on the meter board which are the responsibility of the customer.<sup>235</sup>

Consistent with ENA's presentation at the stakeholder workshop, Endeavour Energy, SA Power Networks and Citipower, Powercor and United Energy submitted that metering isolation devices are typically located within a customer's electrical installation, behind the connection point. They noted that in NSW, Victoria and South Australia, work behind the connection point can only be performed by competitive providers who are appropriately qualified. DNSPs are not allowed to work on or own equipment on the customer's side of the connection point. There are exemptions for network devices under the NER, however, Endeavour considers that as metering isolation devices are not required by DNSPs to provide network services, they would not satisfy in full the NER definition of a network device.<sup>236</sup>

230 Supplementary submissions to the draft determination: PIAC, p. 1; ENA, p. 1; Endeavour Energy, p. 3;

231 EnergyAustralia, supplementary submission to the draft determination, pp. 1-2.

232 PlusES, supplementary submission to the draft determination, p. 1.

233 Supplementary submissions to the draft determination: PIAC, p. 1; ENA, p.1; Endeavour Energy, p. 3; SA Power Networks, p. 1, Citipower, Powercor and United Energy, p. 1.

234 PIAC, supplementary submission to the draft determination, p. 2.

235 Supplementary submissions to the draft determination: ENA, p. 1; Endeavour Energy, p. 3; SA Power Networks pp. 1-2; Citipower, Powercor and United Energy, pp. 1-2.

236 Supplementary submissions to the draft determination: Endeavour Energy, p. 3; SA Power Networks, p. 2; Citipower, Powercor and United Energy, pp. 1-2.

ENA, Citipower, Powercor and United Energy expressed concern that if DNSPs were made responsible for working on the customer's electrical installation it would:<sup>237</sup>

- blur the lines between contestable and regulated work, potentially leading to confusion around responsibility
- be incongruent with rules and guidelines made by the AEMC and AER to clarify the division of responsibilities between regulated networks and contestable providers and facilitate competition in metering and behind-the-meter energy services
- require unnecessary changes to installation requirements
- require changes to distributors' resources, work practices, fleet and equipment, licensing and increased training, at additional cost
- result in an increase in distributors' cost related to metering provision services which all customers would have to share.

DNSPs also noted that the condition and configuration of meter boards may result in significant additional remedial work and costs being incurred to meet the requirements under the Service and Installation Rules. This could include rewiring or replacement of the switchboard. The DNSPs considered that remedial work could be managed more efficiently if meters and isolation devices were installed together as part of a complete meter board replacement. Citipower, Powercor and United Energy noted that during the smart meter roll-out in Victoria, approximately 30% of sites included some remedial works to customer installation to ensure a safe installation of the smart meter.<sup>238</sup>

In its supplementary submission, Citipower, Powercor and United Energy also recommended that MCs should work together on share fuse sites to minimise the impact on consumers. Citipower, Powercor and United Energy considered that it would be more effective to resolve any safety or meter installation challenges at the time of the installation of the first meter (as opposed to at a time of installation of multiple isolation devices) to allow for better switchboard and meter panel design.<sup>239</sup>

## 5.3 Independent consultants report

The Commission engaged an independent consultant, Arup, to review the proposed alternative, in relation to its practicalities and costs. Arup's report found that a number of barriers are likely to prevent the speedy implementation of the proposed alternative solution, and would likely require changes to the national and jurisdictional regulatory framework.

### 5.3.1 Practical application of the proposed solution

Arup investigated the practical application of requiring DNSPs to install separate isolation devices for each customer where shared fusing was discovered, including the DNSP's ability to carry out a supply interruption of all customers, where the isolation device would need to

<sup>237</sup> Supplementary submissions to the draft determination: ENA, p. 1; Citipower, Powercor and United Energy, pp. 1-2; Endeavour Energy, p. 3; SA Power Networks, p. 2.

<sup>238</sup> Supplementary submissions to the draft determination: Endeavour Energy, p. 3; Citipower, Powercor and United Energy, p. 2; SA Power Networks, p. 2.

<sup>239</sup> Citipower, Powercor and United Energy, supplementary submission to the draft determination, p. 2.

be located, what complexities the DNSP may find if it were able to install separate isolation devices and if there were currently any impediments to DNSPs installing isolation devices.

Arup considered that on first inspection that the proposed alternative rule could reduce DNSP and MC/MP coordination, with isolation devices being installed by the DNSP and the MP then being able to carry out the meter installation at a time that suits the customer. It could minimise costs, multiple visits, and complex problems would be solved once and for all. DNSPs currently have the right to interrupt supply to all customers connected to their distribution network, so would be able to carry out a supply interruption in order to install an isolation device.

On further investigation, however, Arup found a number of impediments to DNSPs installing separate isolation devices, including complex scenarios where remedial action or meter panel replacement may be required, current contestability frameworks, and difficulties within the current national and jurisdictional regulatory framework.

### **Complex scenarios**

Stakeholders consulted by Arup provided examples of meter boards with physical constraints, degradation of assets, and safety issues which would lead to an increase in costs, and increase the outage duration for the proposed alternative solution. For example, there could be situations where there is no space for an isolation device — even if new meters are smaller, and a switchboard needs to be completely rebuilt, or where perished wiring, asbestos boards, or subtractive configurations are discovered which would require remediation.

Arup noted that, currently, the remedial work and replacement of the meter panel are outside of a DNSP's remit, as work would be being done on, or to, a customer's installation. DNSPs are currently unable to carry out work on, or attach network assets to, customers' installation.

The costs to resolve these issues would be sizeable. Arup noted that these issues will have to eventually be addressed, especially as the current fleet of Type 5 and 6 meters need to be replaced over the coming years. However, whether these issues should be addressed when first identified or left to be resolved when the property is demolished or deemed unsafe is complex and would require further consideration.

### **Ability for DNSPs to work on, or install devices on the customer's installation**

Practically, Arup found that the isolation device would need to be installed on the service equipment panel or switchboard.<sup>240</sup>

Arup considered that, under the current regulatory frameworks, the installation of separate isolation devices is contestable work which is required to be undertaken by an authorised electrical person.<sup>241</sup>

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<sup>240</sup> Arup, Review of Proposal for DNSPs to Install Isolation Devices for Shared Fuse Metering, 7 May 2020, p. 1.

<sup>241</sup> Arup, Review of Proposal for DNSPs to Install Isolation Devices for Shared Fuse Metering, 7 May 2020, pp. 1, 16.

DNSPs are currently able to install certain devices on a customer's installation under the NER's network device provisions. Network devices are currently defined as devices that enable DNSPs to monitor, operate or control the network for the purpose of providing network services. Network devices can not be used to provide services to a retail customer or third party except for remote reconnections or disconnections, and services to retail customers that are incidental to the provision of network services to keep the network safe, reliable and secure.<sup>242</sup> Arup was of the view that the installation of separate isolation devices to customers where there is shared fusing would likely not meet the current definition of network devices.<sup>243</sup>

Further, Arup considered that even if changes were made to the regulatory framework to enable DNSPs to install these devices, the recovery of costs would not necessarily be able to be via cost smearing arrangements under the AER's current service classification framework, as suggested in stakeholder submissions.<sup>244</sup>

### 5.3.2 Cost of the proposed alternative solution

The Commission also requested Arup to determine the cost of the proposed alternative solution.<sup>245</sup>

Data was provided by a number of market participants to assist Arup in developing cost estimations.<sup>246</sup>

Considering the data available to them, Arup estimated that the approximate costs to supply and install one meter protection device was approximately \$450. However, this would be for a simple site, not a site that requires any additional remedial work.<sup>247</sup>

Arup's modelling estimated that the cost of the alternative solution would be in the order of \$74 million, possibly being 80% more or 40% less due to poor information around the service and site uncertainties. Arup's modelling included remedial costs and costs for new boards on 19.7% and 4.9% of the estimated sites with shared fusing, respectively. Under current trends of meter replacements, these costs would be spread across a five-year period and amount to approximately \$1.74 per person per year.<sup>248</sup>

This was determined assuming a weighted average of 5.15 meters per shared fuse that would require isolation devices. This would equate to a weighted average \$885 per site which requires no remediation or meter panel replacement. In addition, the weighted average of

242 Cl. 7.8.6 and chapter 10 of the NER.

243 Arup, Review of Proposal for DNSPs to Install Isolation Devices for Shared Fuse Metering, 7 May 2020, p. 15.

244 Arup, Review of Proposal for DNSPs to Install Isolation Devices for Shared Fuse Metering, 7 May 2020, p. 23.

245 In estimating the costs Arup noted that no validity of numbers was conducted, data was given by stakeholders and extrapolated across jurisdictions, and conservative assumptions based on historic issues/industry practices was applied. Direct costs including supply and installation for a typical installation and associated remedial work were included in the assessment, but indirect costs were not.

246 Vector provided data for Queensland, NSW, and South Australia, while CitiPower, Powercor and United Energy provided data for Victoria. For ACT and Tasmania, ratios were assumed from NSW and Victorian data respectively.

247 Arup, Review of Proposal for DNSPs to Install Isolation Devices for Shared Fuse Metering, 7 May 2020, p. 27.

248 Arup, Review of Proposal for DNSPs to Install Isolation Devices for Shared Fuse Metering, 7 May 2020, pp. 2, 29.

additional basic remediation costs was estimated at \$295, and weighted average cost of a new board was estimated at \$4700. The table below provides more information.<sup>249</sup>

**Table 5.1: Weighted average costs of the proposed alternative per installation**

DESCRIPTION	% OF SITES	NUMBER OF METERS PER SHARED FUSE	TYPICAL COSTS PER SITE	REMEDIAL COSTS IF REQUIRED (ADDITIONAL)	COSTS FOR NEW BOARD
2 meters per shared fuse	40%	2	\$550	\$220	\$2,200
3 meters per shared fuse	20%	3	\$650	\$260	\$3,000
5 meters per shared fuse	15%	5	\$900	\$300	\$4,800
12 meters per shared fuse	25%	12	\$1,600	\$440	\$10,000
<b>Weighted average</b>	-	<b>5.15</b>	<b>\$885</b>	<b>\$295 additional</b>	<b>\$4,700</b>

Source: Arup, Review of Proposal for DNSPs to Install Isolation Devices for Shared Fuse Metering, 7 May 2020, p. 2.

## 5.4

### The Commission's views and final position

Having regard to Arup's investigation, stakeholder feedback,<sup>250</sup> as well as the Commission's own analysis, the Commission decided not to adopt the alternative solution in the final rule.

Although on initial examination requiring the DNSP to install separate isolation devices could potentially provide some benefits in reduced coordination, reduced overall outages for customers and would resolve the issue of shared fusing going forward, analysis has shown there are complexities in both the physical installation of the isolation devices if they are installed separately from the installation of the meter, and in the current regulatory framework and the contestable delivery of services.

As noted in chapter 2 of this determination, further analysis identified the following impediments to the proposed alternative solution:

- **Issues with customers' meter panel**

<sup>249</sup> Arup, Review of Proposal for DNSPs to Install Isolation Devices for Shared Fuse Metering, 7 May 2020, p. 2.

<sup>250</sup> This include feedback received at the public workshop on 20 April 2020 as well as supplementary written submissions provided to the Commission after the workshop.

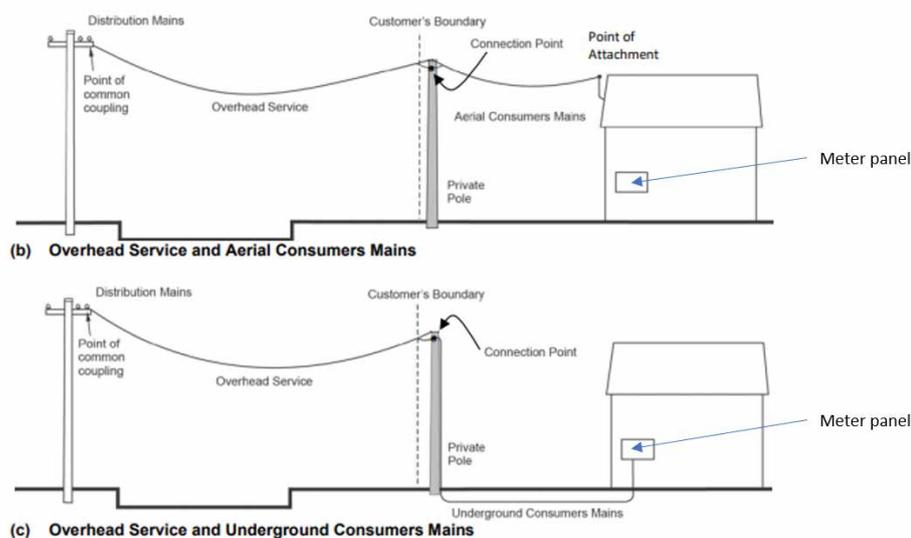
- **Arup's assessment.** Arup found that the separate isolation devices would be required to be installed on the customers' meter panel or service equipment panel under jurisdictional Service and Installation Rules.<sup>251</sup> However, DNSPs do not own a customer's meter panel, and under the current regulatory framework, are only able to install certain devices on them. Generally, work on this panel is arranged by customers using electrical contractors in the competitive market. Supplementary submissions from stakeholders have raised this as an issue which would need to be overcome should the proposed alternative solution be implemented.
- **Stakeholder feedback and Commission's analysis.** Arup's investigation, stakeholder submissions, and the Commission's own analysis indicate that there are currently impediments to DNSPs carrying out this work both in the NER, and jurisdictional regulations. Changes could be made to the NER to enable DNSPs to install the service isolation devices (for example by changing the definition of network device), however, this would depart from the current approach to contestable services.
- **Issues with installing isolation devices in more complex scenarios.**
  - Where the meter panel is degraded or there is insufficient room for the isolation devices, the installation of separate isolation devices could be problematic. The costs of remedial action or meter panel replacement may be substantial. As noted above, DNSPs do not own the meter panels. This is part of the customer installation and in many cases of shared fusing this may not be the responsibility of the customer seeking the new meter, but instead a body corporate, owners' corporation or equivalent. Therefore, there would be complexities in allocating responsibility for both the scheduling of the work and the cost of the alterations.
- **Quantifying costs and benefits**
  - Due to uncertainty around the number of customers impacted by shared fusing, as well as identifying the proportion which may have meter panels that require remedial action or replacement, the costs of the alternative proposal are hard to quantify. . It may be that there are some cost benefits of the alternative proposal as compared to the draft rule in certain scenarios, however, the number of assumptions made in the costing and lack of verified data for both options make this difficult to determine with any level of validity.

As can be seen in the figure below, under the current regulatory framework (in NSW and most other jurisdictions), the meter panel where the isolation device will likely have to be installed is within the customer's boundary. Any work carried out on the customer's side of the boundary is generally contestable.

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<sup>251</sup> For example, see page 89 of the Service and Installation Rules of New South Wales October 2019, and page 29 of the SA Power Networks Service and Installation Rules, February 2020.

**Figure 5.1:** Examples showing the meter panel is within the customer's boundary



Source: Service and Installation Rules of New South Wales, October 2019, p. 11.

The Commission considers that the responsibilities and accountabilities for meter panels, isolation devices and similar assets should be further analysed to determine the most appropriate, safe and efficient management of issues associated with the devices. The Commission encourages industry and jurisdictional regulatory bodies, NEM market bodies and consumer groups to work together collaboratively to address these issues. A holistic approach to the consideration of these issues is more appropriate, rather than a rule change request such as this one, which has a limited scope. The Commission encourages industry namely retailers, metering coordinators and DNSPs to consider practical and cost effective ways of coordinating to better address the needs of consumers. Once an agreed model has been developed, consideration can be given as to further rule changes if required.

## ABBREVIATIONS

AEC	Australian Energy Council
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
B2B	Business-to-business
CDR	Customer details request
CMIG	Competitive Metering Industry Group
COAG	Council of Australian Governments
Commission	See AEMC
DNSP	Distribution network service provider
ENA	Energy Networks Australia
EWON	Energy and Water Ombudsman NSW
EWOSA	Energy and Water Ombudsman South Australia
EWOQ	Energy and Water Ombudsman Queensland
FRMP	Financially Responsible Market Participant
MEA	Master Electricians Australia
MC	Metering coordinator
MCE	Ministerial Council on Energy
MSATS	Market Settlement and Transfer Solutions
MP	Metering provider
NECA	National Electrical and Communications Association
NEL	National Electricity Law
NEO	National electricity objective
NER	National Electricity Rules
NERL	National Energy Retail Law
NERO	National energy retail objective
NERR	National Energy Retail Rules
NMI	National meter identifier
PIAC	Public Interest Advocacy Centre

## A SUMMARY OF OTHER ISSUES RAISED IN SUBMISSIONS

This appendix sets out the issues raised in the second round of consultation on this rule change request and the AEMC's response to each issue. If an issue raised in a submission has been discussed in the main body of this document, it has not been included in this table.

**Table A.1: Summary of other issues raised in submissions**

STAKEHOLDER	ISSUE	AEMC RESPONSE
SafeWork NSW, p. 1.	SafeWork NSW encouraged the AEMC to consider the safety implications of any rule change and noted that the likelihood of any live electrical work being carried out should be considered.	The final rule does not allow any live electrical work being carried out.
PlusES, p.4.	PlusES considered that if a retailer and DNSP planned outage overlaps, then only a single planned outage notification should be sent, from the DNSP	The Commission considers that in cases where the retailer has requested a DNSP to carry out a distributor planned interruption to facilitate the installation of a meter that only the DNSP would be required to send a planned interruption notice. There is no retail planned interruption.
EnergyAustralia, supplementary submission, p. 2.	EnergyAustralia suggested that the Service and Installation Rules be amended to establish that shared fusing is no longer compliant, so defect notices can be issued for shared fusing. The shared fusing could then be rectified by the owners.	The Service and Installation Rules are a jurisdictional function, and therefore outside of the AEMC's remit. This would need to be proposed to jurisdictional regulators.

## B LEGAL REQUIREMENTS UNDER THE NEL AND NERL

This appendix sets out the relevant legal requirements under the NEL and NERL for the AEMC to make this final rule determination.

### B.1 Final rule determination

In accordance with s. 102 of the NEL and s. 259 of the NERL the Commission has made this final rule determination in relation to the rule proposed by the Chair of the Competitive Metering Industry Group.

The Commission's reasons for making this final rule determination are set out in section 2.4.

A copy of the more preferable final rule is attached to and published with this final rule determination. Its key features are described in section 2.4.

### B.2 Power to make the rule

#### **NEL**

The Commission is satisfied that the more preferable final rule falls within the subject matter about which the Commission may make rules. The more preferable final rule falls within s. 34 of the NEL, as it relates to facilitating and supporting the provision of services to retail customer (s. 34(1)(aa) of the NEL). Further, the more preferable final rule falls within the matters set out in item 29 of Schedule 1 to the NEL because it relates to the regulation of persons providing metering services relating to the metering of electricity.

#### **NERL**

The Commission is satisfied that the more preferable final rule falls within the subject matter about which the Commission may make rules. The more preferable final rule falls within s. 237 of the NERL as it relates to regulating the provision of energy services to customers, and to the activities of persons involved in the sale and supply of energy to customers (s. 237(1)(a) of the NERL).

### B.3 Commission's considerations

In assessing the rule change request the Commission considered:

- its powers under the NEL and NERL to make the rule
- the rule change request
- submissions received during first round consultation
- submissions received during second round consultation
- the Commission's analysis as to the ways in which the final rules will or are likely to, contribute to the NERO (including the consumer protection test) and the NEO.

There is no relevant Ministerial Council on Energy (MCE) statement of policy principles for this rule change request.<sup>252</sup>

The Commission may only make a rule that has effect with respect to an adoptive jurisdiction if satisfied that the proposed rule is compatible with the proper performance of Australian Energy Market Operator (AEMO)'s declared network functions.<sup>253</sup> The more preferable final rule is compatible with AEMO's declared network functions because it does not regulate AEMO's declared network functions.

## B.4 Civil penalties

The Commission cannot create new civil penalty provisions. However, it may recommend to the COAG Energy Council that new or existing provisions of the NER or the NERR be classified as civil penalty provisions.

The Commission's final more preferable rules amend:

- clauses 7.8.10(a), 7.8.10(d), 7.8.10A(c), 7.8.10B(a), 7.8.10B(c), 7.8.10C(a), 7.8.10C(c), 11.86.7(g) and 11.86.7(i) of the NER to clarify the mandatory timeframes and related procedures for meter installations, and repairs for malfunctioning meters, affected by shared fusing arrangements. These rules are currently classified as civil penalty provisions under Schedule 1 of the National Electricity (South Australia) Regulations and the Commission considers that these rules should continue to be retained as civil penalty provisions and therefore does not propose to recommend any change to their classification to the COAG Energy Council;
- rule 59C(4)(a), of the NERR, to clarify that the information provided in a retailer planned interruption notification must include whether the interruption is for the purpose of installing, maintaining, repairing or replacing an electricity meter for the notified customer or for another customer. This rule is currently classified as a civil penalty provision under Schedule 1 of the National Energy Retail Regulations. The Commission considers that this rule should continue to be retained as a civil penalty provision, and therefore does not propose to recommend any change to its classification to the COAG Energy Council.

The amendments made to clause 7.8.10(a) of the NER include the consolidation of clause 7.8.10(aa). This will result in clause 7.8.10(aa), which is currently classified as a civil penalty provision, being removed from the NER. However, the obligations of clause 7.8.10(aa) that now form part of clause 7.8.10(a) will continue to be classified as civil penalty provisions.

The new provisions in the Commission's more preferable final rule that the Commission proposes to recommend to the COAG Energy Council, jointly with the AER, to be classified as civil penalty provisions are expressed in the more preferable final rule as clauses 7.8.10A(c1), 7.8.10B(c1) and 7.8.10C(c1). The Commission is proposing to recommend these clauses be classified as civil penalty provision to promote compliance with the new timeframes imposed

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<sup>252</sup> Under s. 33 of the NEL and s. 225 of the NERL the AEMC must have regard to any relevant MCE statement of policy principles in making a rule. The MCE is referenced in the AEMC's governing legislation and is a legally enduring body comprising the Federal, State and Territory Ministers responsible for energy. On 1 July 2011, the MCE was amalgamated with the Ministerial Council on Mineral and Petroleum Resources. The amalgamated council is now called the COAG Energy Council.

<sup>253</sup> Section [91(8)] of the NEL.

on retailers for the installation of meters that are affected by shared fusing, and also to make these clauses consistent with clauses 7.8.10A(c), 7.8.10B(c) and 7.8.10C(c) of the NER, which deal with similar issues and are classified as civil penalty provisions.

## B.5 Conduct provisions

The Commission cannot create new conduct provisions. However, it may recommend to the COAG Energy Council that new or existing provisions of the NER or the NERR be classified as conduct provisions.

The final rule does not amend any rules that are currently classified as conduct provisions under the NEL or National Electricity (South Australia) Regulations, the NERL or the National Energy Retail Regulations. The Commission does not propose to recommend to the COAG Energy Council that any of the proposed amendments made by the final rule be classified as conduct provisions.