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19 May 2006

Mr John Tamblyn
Chairman
Australian Energy Market Commission
PO Box H166
AUSTRALIA SQUARE NSW 121

Email: aemc@aemc.gov.au

Dear Mr Tamblyn,

National Electricity Rules Consultation – Metrology Harmonisation

Ergon Energy Corporation Limited (Ergon Energy) appreciates the opportunity provided by the Australian Energy Market Commission (AEMC) to comment on the proposed changes to the National Electricity Rules (NER) in regard to Metrology Harmonisation.

The attached submission represents Ergon Energy's comments on the changes to Chapter 7 of the NER, as proposed by NEMMCO. Ergon Energy would be pleased to discuss this submission with the AEMC or to provide further details about specific aspects.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tony Pfeiffer', written over a circular scribble.

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Ergon Energy Corporation Limited

**Submission – Australian Energy Market
Commission
Metrology Harmonisation Rule Change**

19 May 2006

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This submission, which is available for publication, is made by:

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1 INTRODUCTION

Ergon Energy Corporation Limited (Ergon Energy), in its capacity as a Distribution Network Service Provider, welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC) on the proposed changes to the National Electricity Rules (NER) in regard to Metrology Harmonisation.

Ergon Energy supports the intent of the proposed Rule changes including:

- The creation of a single national metrology procedure;
- The Local Network Service Provider (LNSP) deemed to be the Responsible Person (RP) for Type 5, 6 and 7 metering installations;
- A non-reversion policy for *compliant* interval meters; and
- The manner in which interval meters are read in accordance with *jurisdictional policy directions*.

However, Ergon Energy requests the AEMC consider the following comments in its determination of the proposed Rules changes.

2 7.2 – RESPONSIBILITY FOR METERING INSTALLATIONS

2.1 7.2.1 – Responsible Person’s Responsibilities

Ergon Energy queries the ability of other parties to question the decisions of NEMMCO. Under clause 7.2.1(b), NEMMCO is effectively the consultant and the client (decision-maker). Ergon Energy believes that parties should have access to a low cost dispute or escalation process where NEMMCO has not shown due consideration of issues raised in consultation.

Ergon Energy would like to highlight that any extension of the NER to include 1st tier metering installations must be cognisant of Ergon Energy’s Minimalist Transitioning Approach, which has been approved by the Queensland jurisdiction.

2.2 7.2.2 – Responsibility of Local Network Service Provider

Ergon Energy considers that clause 7.2.2(ab) is not required as clause 7.2.0 automatically assigns the role of RP to the LNSP for Type 5, 6 and 7 metering installations.

The LNSP should not be required to offer terms and conditions for Type 5, 6 and 7 metering installations for which it is automatically the RP. Clause 7.2.2(ac) should be changed to reflect the terms and conditions applicable to an LNSP if not covered off in other clauses or under the Trade Practices Act.

Clause 7.2.2(b) should be changed to remove the reference to clause 7.2.2(ab) given that this clause is not required.

Ergon Energy questions the intent of clause 7.2.2(c) given the need for the LNSP to populate MSATS with all NMI Standing Data, not just a NMI. Given that some connection agreements are deemed, Ergon Energy questions when the time clock starts in such situations. Further, Ergon Energy queries how the LNSP is to provide the NMI to NEMMCO and for what purpose it is provided?

As highlighted above, any extension of the NER to include 1st tier metering installations must be cognisant of Ergon Energy’s Minimalist Transitioning Approach as highlighted above. For example, 7.2.2(c) does not provide for any exceptions.

2.3 7.2.5 - Other Responsibilities

Ergon Energy notes that the change to 7.2.5(a) is the “consequence of a change to another change”. However, this raises the question as to which other change led to this change. This comment does not provide clarity or understanding of the changes proposed. Any consequential changes in the proposal should be cross-referenced to the initiating change.

In relation to clause 7.2.5(d), any extension of the NER to include 1st tier metering must be cognisant of Ergon Energy's Minimalist Transitioning Approach as highlighted above.

In relation to clause 7.2.5(e), Ergon Energy notes that LNSPs have installed manually read interval meters that are not compliant with the NER and therefore could not be registered as a Type 5 metering installation; these have been registered as Type 6 metering installations in MSATS. Where such a meter needs to be replaced, the metering provider should be able to replace a non-complaint manually read interval meter with a complaint Type 6 meter. We would suggest that this clause recognise compliance of the current meter not just its capability "of producing *interval energy data*".

It is not clear as to what is meant by the "period as specified in the Market Settlements and Transfer Solution procedures" in clause 7.2.5(h). Clarity is requested in relation to which period is being referenced.

3 7.3 – METERING INSTALLATION ARRANGEMENTS

3.1 7.3.1 – Metering Installation Components

The proposed change to clause 7.3.1(12), is not, strictly speaking, made as a consequence of another change; it is made as a consequence of a decision to move to accepted industry terms.

3.2 7.3.2A – Metrology Procedure

Ergon Energy highlights the sequencing issue where clause 7.3.2A has been inserted before clause 7.3.2 and requests that the sequence be corrected.

In relation to clause 7.3.2A(f), NEMMCO should be required to publish responses made by Registered Participants or Metering Providers in accordance with 7.3.2A(f)(3).

Under clause 7.3.2A(g)(2)(B)(iii), a dispute or escalation process is required should the person not accept the reasons given by NEMMCO in rejecting the proposal (see also the comment in relation to clause 7.2.1).

3.3 7.3.4 – Metering Installation Types and Accuracy

During Ergon Energy's review of this section, we were unable to clearly understand the intent. On this basis, we make the following comment. Ergon Energy questions the relevance of clause 7.3.4(ab) given that 7.3.4(aa) deals with the Financially Responsible Market Participant (FRMP) changing the type of metering installation at any time and 7.3.4(ac) deals with the FRMP notifying the current RP of the change of meter. Clause 7.3.4(ab) refers to the transfer of market load, which is not consistent with clauses 7.3.4(aa) and 7.3.4(ac).

In relation to clause 7.3.4(ac), Ergon Energy questions when the FRMP must advise the RP of the change of meter, i.e. do they have to give 1 days notice, 1 weeks notice, etc.

4 7.11 – PERFORMANCE OF METERING INSTALLATION

Ergon Energy notes that the “and” is not required at the start of clause 7.11(a)(5). Clause 7.11(a)(5)(C) and (D) should be replicated in clause 7.11(a)(4).

In relation to clause 7.11(ab), Ergon Energy questions when these procedures will be published, and what is the timeframe obligation being proposed. Depending on the content of the procedures, this proposed change to the NER may not be supported by Ergon Energy.

5 7.13 – EVOLVING TECHNOLOGIES AND PROCESSES AND DEVELOPMENT OF THE MARKET

The current version of clause 7.13(c) states that “NEMMCO must, at least annually, publish a report...” The draft version proposed by NEMMCO states that, “NEMMCO must publish a report...” Ergon Energy registers its concern that a proposed change to the NER has not been highlighted in the draft document. We question whether there are any other instances of changes being made that have not been highlighted.

END