

16 October 2009

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Consultation Paper
National Electricity Amendment (Provision of Metering Data Services and Clarification of Existing Metrology Requirements) Rule 2009

This submission has been prepared by Jemena on behalf of Jemena Electricity Networks (Vic) Ltd (**JEN**). JEN appreciates this opportunity to provide comments on the National Electricity Amendment (Provision of Metering Data Services and Clarification of Existing Metrology Requirements) Rule 2009 (**the Rule Change**).

The Rule Change proposal, submitted by AEMO, principally seeks to transfer the current deed-based framework that governs Metering Data Providers (**MDPs**) to a framework contained in Chapter 7 of the National Electricity Rules (**NER**). It does this by creating a new category of MDP in the NER and transferring responsibility for collecting metering data from Type 1,2,3 and 4 meters from AEMO to the Responsible Person (**RP**).

Jemena agrees that the Rule Change is necessary but has concerns about aspects of the detail proposed by AEMO. Jemena welcomes the transfer of responsibility from AEMO to the RP for Type 1,2,3 and 4 meters but asks for further clarity on how this will fit with the smart meter program.

Without seeing the final drafting of changes to the NER it is difficult for Jemena to comment on the full impact of the Rule Change Proposal on stakeholders. This submission outlines the main concerns that Jemena has identified to date with the Rule Change.

Need for Rule Change and Timing of Consultation

The proposed Rule Change is extensive and signals a substantial move from the current NER. The current consultation program is ambitious with several related and overlapping consultations being carried out that are currently at various stages. These include the AEMO consultation on Metering Provider (**MP**)/MDP accreditation and the MCE Smart Meter National Electricity Law (**NEL**) amendments. Jemena understands that the National Stakeholder Steering Committee is developing considered changes
Jemena submission on AEMC rule change on MDPs.doc

for smart metering and suggest that once the final determination is set for this Rule Change it could be used as a firm basis for those changes.

Service Level Procedures

Jemena does not support the Service Level Procedures (**SLRs**) contained at the proposed 7.2.9 of the NER. The majority of these SLRs are already contained in the Metrology Procedures at 7.14 of the NER. Jemena would welcome clear and efficient documentation without unnecessary duplications.

Changes to Settlement Ready Data

The change to the definition of *Settlement Ready Data* in Chapter 10 of the NER potentially requires the replication of metering data from AEMO systems to the LNSP on the possibility that AEMO has done additional processing on the meter data. Jemena does not support changes to settlement ready data that would require significant system changes for the replication of metering data from AEMO systems to the LNSP to bring the data across for billing purposes.

Likely Costs to Stakeholders

As outlined above, this consultation is one of several that are currently running that will result in changes to the NER. This clearly raises timing and implementation issues. It also contributes to an increased regulatory burden at a time when the specific need for change at this precise time is unclear.

Please find attached to this letter a table containing JEN's detailed feedback on the proposed changes to Chapter 7 of the NER.

If you would like to discuss this submission please contact Danielle Beinart, Manager Regulatory Projects and Strategy Development, on (02) 92704532 or email: danielle.beinart@jemena.com.au.

Yours sincerely



Sandra Gamble
Group Manager Regulatory

Attach.

Attachment 1. Jemena’s specific comments on proposed changes to the National Electricity Rules (NER)

Reference	Subject	Issue
7.1.1(b)(3)	Purpose	Throughout Chapter 7 the term <i>metering data services</i> should have a consistent meaning to avoid ambiguity, and uncertainty in the industry. Uncertainty can be costly to industry participants in that it may require additional infrastructure or explanatory documentation in order to deal with an issue that could be firmly bedded by the commission at the Rules stage. Jemena proposes that the scope of metering data services be “collection, processing and provision of metering data” and this meaning should be applied consistently throughout chapter 7, for example, at 7.1.1(b)(3) and 7.4.1A
7.2.1(a)(5)	Responsible person	The procedures authorised under the Rules should be listed to guard against scope creep
7.2.5	Role of the responsible person	The information in the explanatory note should be included in the body of the Rules as it explains the intent of this section.
7.2.5 (aa)	Role of the responsible person – Engagement of a MP and MDP	This provision should also allow for another person (aside from AEMO) to engage a Metering Data Provider (MDP) subject to the approval of Metering Provider (MP).
7.2.5(d)(1)	Role of the responsible person – Metering installations	This subsection refers to “procedures authorised under the Rules”. If this section is referring to Service Level Procedures then it should do so explicitly.
7.2.5(d)(4)	Role of the responsible person – Metering installations	<p>This subsection requires the responsible person to ensure that a communications interface is installed and maintained to facilitate connection to the telecommunications network.</p> <p>The definition of <i>telecommunications network</i> in the glossary provides is a “network that provides access for public use or an alternative telecommunications network that has been approved by AEMO for the remote acquisition of metering data.”</p> <p>Jemena has concerns about the ability of the responsible person to comply with this as the definition of telecommunications network is unclear and does not set out AEMO’s approval criteria. Jemena also queries the role of AEMO in approving or vetoing telecommunications technology which may have been approved for cost recovery by the AER.</p>

Reference	Subject	Issue
7.2.5 (g)(3)	Role of the responsible person – Metering installations	<p>This subsection requires the responsible person to arrange for the provision of relevant metering data to the MDP should any available remote acquisition become unavailable.</p> <p>The move to smart metering in Victoria means that manual meter reading is being significantly reduced. In addition, existing process allow for estimates to be provided until data can be collected remotely. Likewise, lost data can be replaced by the substitution process.</p> <p>Jemena believes that this requirement should be deleted or limited to above 160MWhpa types 1-4 customers.</p>
7.2.9	Service Level Procedures	<p>This section overlaps substantially with 7.14.1 Metrology Procedures. For example, 7.2.9(c)(1) and 7.14.1(c)(2) require the service level procedures and metrology procedure respectively to specify requirements for the provision , installation and maintenance of metering installations. Another example of duplication is 7.2.9(c)(3) and 7.14.1(c)(4)(iii) which require the service level procedures and metrology procedure respectively to specify requirements for the provision of performance levels/standards for the collection, processing and delivery of metering data to be used for settlement purposes. There is also significant overlap between 7.2.9(c) and 1.14.1(c)(1)(ii) and (ii).</p>
7.3.1(b)(4)	Metering installation components	<p>This requirement for an “appropriately constructed panel on which the metering installation equipment is mounted” should not be a “may” under 7.3.1(b), but rather should be a “must” under 7.3.1(a).</p>
7.4.1A	Responsibility of Metering Data Providers	<p>Refer to issue outlined above at 7.1.1(b). A similar amendment should be made to 7.4.1A.</p>
7.4.2(ba)	Qualifications and registration of Metering Providers	<p>The dispute resolution process has been removed from the Accreditation Guidelines for Metering Providers and Metering Data Providers following the recent consultation process by AEMO. The only reference to dispute resolution is now in the definition of “Registered Participant” in Chapter 10 of the NER which gives limited access to dispute resolution under clause 8.2 of the NER.</p> <p>The Rules clause 7.4.2(ba) requires the guidelines to include a dispute resolution mechanism. The access to the Rules dispute mechanisms under Rules clause 8.2.4 should be re-instated.</p>

Reference	Subject	Issue
7.4.2A(c)	Qualifications and registration of Metering Data Providers	<p>The dispute resolution process has been removed from the Accreditation Guidelines for Metering Providers and Metering Data Providers following the recent consultation process by AEMO. The only reference to dispute resolution is now in the definition of “Registered Participant” in Chapter 10 of the NER which gives limited access to dispute resolution under clause 8.2 of the NER.</p> <p>The Rules clause 7.4.2 A(c) requires the guidelines to include a dispute resolution mechanism. The access to the Rules dispute mechanisms under Rules clause 8.2.4 should be re-instated.</p>
7.4.3(b)	Deregistration of Metering Providers and Metering Data Providers	The test for breaching provisions of the NER or its procedures thus triggering the process of deregistration is whether the Metering Provider or Meter Data Provider “may” have breached the provisions. This test of “may” is too wide as deregistration is a serious matter. The test should be one of “materiality”.
7.4.3(b)(2)	Deregistration of Metering Providers and Metering Data Providers	<p>This clause provides for progression of deregistration where the breach has continued for a period “of more than 7 days after notice”. This is an insufficient period of time – 7 days is not adequate. In addition, the clause is not clear whether it is referring to 7 calendar days or 7 business days.</p> <p>The NER should allow for escalation to the CEO or notification to the RP in the case that deregistration is progressed to allow them time to find another MP and make alternative arrangements.</p>
7.4.3(d)	Deregistration of Metering Providers and Metering Data Providers	<p>This clause does not make sense. The second “may” in the following sentence should be deleted:</p> <p>“NEMMCO may in accordance with the process established under paragraph (a) <i>may</i> deregister the Metering Provider or Metering Data Provider”</p>
7.6.3(a) and (d)	Audits of information held in metering installation	The responsible person, not the registered participant, is responsible for the metering installation. The clause should be updated accordingly.
7.8	Security of Metering Installations and Data	Any changes to security arrangements will impact the smart meter roll-out. Consideration should be given to these impacts and how any changes should be disseminated across the different programs of work. Consideration should be given

Reference	Subject	Issue
7.9.1(j)	Metering databases	<p>This provision provides that AEMO may obtain metering data directly from a metering installation for the settlements process.</p> <p>JEN requires settlement-ready data for billing purposes. In the case that AEMO is the source of settlement-ready data, JEN does not have data replication systems to bring that data across for billing. It would require significant work to meet this requirement.</p>
7.13(g)	Evolving technologies and processes and development of the market	<p>This clause requires Ministers of participating jurisdictions to complete a review of type 5 and 6 metering installations and the metrology procedure by 30 June 2009. This date is in the past. A future date should be considered.</p>