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12 October 2006

Mr John Tamblyn
Chairman
Australian Energy Market Commission
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AUSTRALIA SQUARE NSW 1215

RECEIVED

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Dear Mr Tamblyn,

National Electricity Rules Consultation – Metrology Harmonisation

Ergon Energy Corporation Limited (Ergon Energy) appreciates the opportunity provided to comment on the Australian Energy Market Commission's (AEMC) draft determination for the proposed National Electricity Amendment (Metrology) Rule 2006.

The attached submission represents Ergon Energy's comments on the changes to Chapter 7 of the National Electricity Rules, as set out in the AEMC's draft determination. 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 be 'Tony Pfeiffer', with a long horizontal stroke extending to the right.

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Ergon Energy Corporation Limited

**Submission – Australian Energy Market
Commission**

Metrology Harmonisation Draft Determination

12 October 2006

Metrology Harmonisation Draft Determination
Australian Energy Market Commission
12 October 2006

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

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1 Overview

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 draft determination for the proposed National Electricity Amendment (Metrology) Rule 2006.

Ergon Energy supports the intent of the Rule changes proposed by NEMMCO 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*.

Ergon Energy also supports the intent of the AEMC's proposed modifications to NEMMCO's proposed changes, especially:

- The potential for the Local Network Service Provider (LNSP), in some circumstances, to introduce remote acquisition of a type 5, 6 or 7 metering installation without having to register it as a Type 4 metering installation; and
- A provision on the Financially Responsible Market Participant (FRMP), who alters a type 5, 6 or 7 metering installation to make it capable of remote acquisition, where such an alteration results in a change in classification, to negotiate in good faith with the LNSP to ensure the LNSP is compensated for the change in classification (including the costs incurred and the value of any stranded assets).

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

Table 1: Draft Determination - Comments

Clause	Ergon Energy Comment
7.1 Introduction to the Metering Chapter	
1. Clause 7.1.4 [1]	7.1.4(a)(2): Ergon Energy supports the AEMC's proposed change to this clause as it improves the readability of the clause.
7.2 Responsibility for Metering Installations	
2. Clause 7.2.3 [2]	7.2.3(g): Ergon Energy proposes that the word "may" be replaced by the word "will" to provide greater clarity of obligations. 7.2.3(h)(2): Ergon Energy is concerned that as these contracts are often deemed, it is difficult to determine when the 10 day period commences.
3. Clause 7.2.5 [3]	7.2.5(b)(1): Ergon Energy is concerned that the clause still does not address the circumstances where the LNSP is also an accredited metering provider. If the LNSP is both the RP and an accredited metering provider, the LNSP should not be required to enter into an agreement with itself. 7.2.5(c): Ergon Energy proposes that the word " and may" be replaced by the words "and if it does, must" to provide greater clarity of obligations.
4. Clause 7.2.5 [3]	7.2.5(e): There appears to be an inconsistency between clause 7.2.5(e) and 7.3.4(h). 7.2.5(e) appears to allow an incoming responsible person to change a metering installation prior to the transfer of the National Metering Identifier (NMI). Clause 7.3.4(h), however, only allows a Type 5, 6 or 7 metering installation to be changed to a Type 1, 2, 3 or 4 metering installation after the NMI transfer has been effected. Clause 7.2.5(e) reflects current market practice and should continue to be allowed.

7.3 Metering Installation Arrangements	
5. 7.3.1 [6]	7.3.1(f): Ergon Energy proposes that the words "from time to time" be removed from this paragraph.
6. 7.3.4 [8]	7.3.4(e) - (i): Ergon Energy makes the following comments: • The FRMP should only be able to make arrangements to make the metering installation capable of remote acquisition where it has nominated itself as the incoming RP, which can be done at any time; • Where the addition of remote acquisition capabilities requires the existing meter to be replaced, the FRMP should be required to notify the existing RP in time to allow for arranging a final read by the LNSP and for the return of the old meter to the LNSP; • Where a final read by the LNSP is required, the FRMP should also be required to order that final read using a B2B service order request. This will ensure that the cost of the final read is recovered; and • Ergon Energy supports the intent of the AEMC by allowing an LNSP to make a metering installation capable of remote acquisition in circumstances of operational difficulties. However, there are no circumstances where the LNSP is the FRMP. Therefore in practice, as currently drafted, clauses 7.3.4(f) and (g) have no application. Sub clauses 7.3.4(f) and (g) should not be dependent on 7.3.4(e). As such, Ergon Energy proposes the following change to clause 7.3.4 by replacing clauses 7.3.4(e) to (i) with: (e) Subject to the <i>metrology procedure</i> and this clause 7.3.4, a <i>financially responsible Market Participant</i> may, where it has nominated itself as the incoming <i>responsible person</i>, make arrangements to alter a type 5, 6 or 7 <i>metering installation</i> to make the installation capable of <i>remote acquisition</i>. (f) A <i>financially responsible Market Participant</i> who is not the <i>responsible person</i> for a <i>metering installation</i> that is to be altered under paragraph (e), must advise the <i>responsible person</i> of the proposed date of alteration at such a time that: (1). is prior to the alteration being made; (2). Is in accordance with any time specified in the <i>B2B Procedures</i>; and (3). Is in accordance with any time specified in the <i>Market Settlement and Transfer Solution Procedures</i>. (g) Where a <i>financially responsible Market Participant</i> proposes to alter a <i>metering installation</i> in accordance with

	paragraph (f), and the current <i>responsible person</i> is the LNSP, a B2B transaction to arrange a final meter read must also be sent in accordance with the <i>B2B Procedures</i>. (h) Where the <i>Local Network Service Provider</i> decides on reasonable grounds that operational difficulties require the <i>metering installation</i> to be capable of <i>remote acquisition</i>, alterations to type 5, 6 or 7 metering installations will not alter the classification of those metering installations. (i) For the purposes of paragraph (h), operational difficulties may include locational difficulties where the metering installation is: (1). at a site where access is difficult; or (2). on a remote rural property.
7. 7.3.6 [9]	7.3.6(g)(3): Ergon Energy queries whether this paragraph should read “the Local Network Service Provider was the Responsible Person..” 7.3.6(g): Ergon Energy seeks clarification that the compensation “for the alteration to the metering installation” includes the costs incurred through the process to alter the metering installation, aside from those for the final meter read which will be recovered through the service order process proposed in 7.3.4(g) above, as well as the value of any assets that are stranded as a result of the alteration.
7.14 Metrology Procedure	
8. 7.14.2 [18]	7.14.2(b): Ergon Energy considers that the right to exercise a jurisdictional policy directive should be aligned to at least the same date as that proposed for the review of type 5 and 6 metering. Any outcome from such a review may result in a jurisdiction wishing to include a policy directive in the metrology procedure. 7.14.2(d): “Material” should be italicised. 7.14.2(g): Ergon Energy is concerned that that this clause significantly increases the risk to industry. The intended review process may not fit with Government timeframes (i.e. election periods), or regulator timeframes (i.e. price determinations), especially as it is intended that the MCE will revert to meeting only once or twice a year. If the MCE is unable to submit new jurisdictional metrology material prior to the review date, industry will be impacted and exposed to financial and operational risks, as a result of existing practices having to be curtailed. It is therefore proposed that this clause be amended to reflect that the jurisdictional

	metrology material continue to exist until, following the review process, NEMMCO is notified by the MCE that it is no longer required. In order to address the financial risk to LNSPs, any expiration of an existing jurisdictional metrology material must be linked with the ability of the LNSP to recover, or not recover, any related costs in accordance with a determination made by the AER or a relevant Jurisdictional Regulator.
General Comments	
9.	Many of the Australian Standards referred to in Chapter 7 are superceded and references should be updated. It is suggested that greater clarity could be provided by undertaking an examination of the use of the word "may" to ensure it does not give participants leeway in fulfilling their obligations under the Rules.
Schedule 7.2 Types and Accuracy of Metering Installations	
10. S7.2.3 [24]	Item 3a: The words "by the relevant" should be deleted.
Schedule 7.4 Metering Provider	
11. S7.4.2 [31]	S7.4.5(b): Replace "metrology procedures" with "metrology procedure".
12. S7.4.5 [34]	S7.4.5(a): Ergon Energy is concerned by the proposal to extend the ASP scheme from type 5 and 6 metering installations to type 1-6 metering installations. It is our understanding that ASPs are generally individual contractors who have attended a course to install whole current meters as part of a customer's responsibilities to connect supply. Ergon Energy supports the comments made by SP AusNet in relation to this section during the initial consultation. It is the RP's obligation to ensure the accuracy of the installation. Further, it appears that the issues related to the ASP Scheme are broader than competency, but extend to how they are engaged, from where they source the meter, if they should be registered as a metering provider (MPA) and how they interface with the responsible person to ensure the RP's obligations are fulfilled.

10 Glossary	
13. Chapter 10 [43]	Estimated Energy Data: Ergon Energy believes that the definition is incorrect as currently drafted. It should read “market load and would apply to a metering point where <i>accumulated energy data</i> or <i>interval energy data</i> is not available, ..”. Ergon Energy queries whether the correct terminology is <i>Forward Estimate Energy Data</i> as opposed to <i>Estimated Energy Data</i>, to avoid confusion with estimated energy data associated with a meter failure where a data substitution has occurred.