

A few
words.

Australian Energy Market Commission

PO Box A2449

Sydney South NSW 1235

1 July 2010

AEMC reference: ERC0092



Dear Sir/Madam,

AGL Energy Limited [**AGL**] welcomes the opportunity to comment on Draft National Electricity Amendments (Provision of Metering Data Services and Clarification of Existing Metrology Requirements) Rule 2010(AEMC reference ERC0092)[**Rule Change**].

As stated in AGL's previous submission¹, we strongly support the establishment of a new category of service provider within the Rules called a Meter Data Provider [**MDP**].

AGL acknowledges the Commission's concern surrounding the potential increase in aggregated cost on compliance and audit of MDP's.

It is AGL's view that there may be some increase in aggregated costs across industry however this could be of an incremental nature given that these should already form part of the contract administration and quality assurance process under existing arrangements.

It is our view that the benefits that this Rule Change will deliver would outweigh the potential cost increases. We also propose changes to strengthen AEMO's accreditation and registration requirements to promote greater compliance.

AGL sees the merit in the Commission's recommendation that the FRMP maintains the ability to nominate the MDP. We see that this approach preserves the current agreements that exist under the Deeds of Arrangements.

Should you have any questions in relation to this submission, please contact Sallie Proctor, Manager Regulatory Compliance and Advice on (03) 8633 7871 or sproctor@agl.com.au

Yours sincerely,

A handwritten signature in blue ink that reads 'N Wallis'.

Nicole Wallis

Manager Retail Markets Regulations

¹ Submission dated 19th October 2009 from AGL: AEMC consultation on the 'Provision of Metering Data Services and Clarification of Existing Metrology Requirements'

This submission now addresses the key issues in the order presented in AEMC Reference: **ERC0092**

5 Interaction with smart metering arrangements

AGL sees the proposed Rule Change as a positive interim step towards the reform required to support Smart Metering. We support the Commission's decision not to address any issues in this Rule change that may have implications for the MCE's National Smart Metering Program.

6 Provision of Metering Data Services

As stated in AGL's previous submission², we strongly support the establishment of a new category of service provider, Meter Data Provider [MDP], within the Rules with the appropriate mechanisms being in place to ensure compliance.

AGL believes that this Rule Change:

- Improves clarity and transparency in the performance management of metering data services;
- Provides consistency across metering installations; and
- Increases regulatory certainty and provides clarity regarding the roles and responsibilities of the MDP and Metering Provider [MP].

Whilst there may be perceived risks associated with the performance and service quality of the MDP, these risks can be mitigated through the commercial arrangements that will be in place between the MDP and the Financially Responsible Person [FRMP] as well as AEMO's accreditation framework, annual audits and compliance assessment monitoring.

7 Responsibility for Metering Data Services

As noted by the AEMC, currently the FRMP (which can be a Retailer, Generator or a Market Customer,) is responsible for engaging the Metering Data Agent through the Deeds framework for Type 1-4 metering installations.

AGL strongly supports the Commission's recommendation that the FRMP maintains the choice of MDP. This preserves the current operational practices that exist under the deeds of arrangements at incremental cost and does not preclude the LNSP or TNSP from making a commercial offer to be responsible for metering data services. This also allows the FRMP to meet its cost and performance requirements including other value added services.

Therefore AGL strongly supports the FRMP to be responsible for metering data services on the following basis:

- Minimises changes to existing arrangements as FRMP's are already set up to manage Meter Providers and Meter Data Providers with an incremental cost

² AGL's submission to the AEMC consultation on the 'Provision of Metering Data Services and Clarification of Existing Metrology Requirements' dated 19th October 2009

increase that is outweighed by the benefits of greater control over the commercial arrangements

- Increases the value added services and the provision of data that is driven by customer requirements which is most efficiently serviced by Retailers.

AGL believes that strengthening the existing accreditation and registration requirements will ensure greater compliance. In addition, AGL suggests that the enforcement of the de-registration process and establishment of annual audits is imperative to ensure MDP compliance to the accreditations.

This approach may warrant the AEMC to conduct a future review of the continuing role of RP at a later stage for metering installations of Type 1-4. As an outcome of this Rule Change the FRMP will be responsible for engaging the MDP and Meter Provider for type 1-4 metering installations which challenges the value of the role of RP in the future.

8 Service Level Procedures

The development of a separate Service Level Procedure would ensure clear accountabilities and that boundaries relating to responsibilities are defined for the full scope of metering data services. AGL sees merit in consolidating existing and new requirements into a National Service Level Procedure, thus avoiding cross-purposes with other procedures, such as the Metrology Procedure.

The potential ambiguity between the procedures should be addressed through involvement of the FRMP in the development of the Service Level Procedures and through the consultation process.

9 Clarification of Terms relating to metrology

AGL supports the proposed changes contained within this section as they provide clarity surrounding the definition of terms. It sets up a clearer distinction between the roles and responsibilities of Metering Providers, Metering Data Providers and AEMO.