

Ref: JC:JC:C207801

23 May 2006

Mr John Tamblyn  
Chairman  
Australian Energy Market Commission  
PO Box H166  
**Australia Square NSW 1215**

Dear Mr Tamblyn

**NEMMCO Harmonisation of Metrology Rule Proposal**

Country Energy would like to thank the Australian Energy Market Commission (AEMC) for the opportunity to respond to the National Electricity Market Management Company (NEMMCO) Rule proposal on metrology harmonisation. Country Energy generally supports the Rule proposals put forward by NEMMCO, and welcomes their timely implementation.

Country Energy has made general comments on the first three groups of changes proposed by NEMMCO in the sections below. Whilst our comments have purposely been kept relatively brief due to having covered many of the issues in previous submissions to the *'Joint Jurisdictional Review of the Metrology Procedures'*, they reiterate those earlier views and affirm Country Energy's support for the majority of NEMMCO's Rule proposals.

**A1. Provide for a single metrology procedure to replace the separate existing national and jurisdictional metrology procedures.**

Country Energy is supportive of a single metrology procedure that encourages national consistency. A single metrology procedure will lead to reduced costs and administration for participants, support competition across state borders, deliver economies of scale and efficiencies in metering activities, and eliminate duplication of obligations.

Country Energy endorses the transfer of responsibility for all technical provisions of the metrology procedures to NEMMCO while allowing jurisdictions to retain responsibility for key policy decisions that underpin the metrology procedure.

**A2. Provide within Chapter 7 of the Rules scope for the Local Network Service Provider to be the party responsible for metering installations of Type 5, Type 6, and Type 7 without the need to renew derogations in Chapter 9.**

Country Energy continues to support the position that metering services and the provision of Type 5, Type 6, and Type 7 metering installations are more efficiently provided as an integrated distribution function, recovered through distribution network prices, rather than being open to competition. We therefore strongly support the continuation of current arrangements in relation to these metering services through an amendment to the NER that allocates responsibility for Type 5, Type 6, and Type 7 metering installations to the distributor, rather than a continuation of current derogations. This will ensure that metering services continue to be provided at the most efficient levels possible.

**A3. To introduce changes within Chapter 7 that reflect straightforward recommendations from the Joint Jurisdictional Review.**

Country Energy agrees with NEMMCO's Rule proposals in this section, apart from the establishment of the 'type 5 accumulation boundary' by individual jurisdictions, and the timing of the next metrology review.

Country Energy would like to reinforce its support for NEMMCO's proposal to include a threshold whereby below this threshold, interval meters can be read as accumulation meters. Country Energy believes this will enable the progression of an interval meter roll out strategy without the need to collect the significant volume of data expected as a result of a progressive roll out of meters, which would encompass the development of substantial system improvements and meter data collection processes.

No party would be disadvantaged through the installation of interval meters that are read as accumulation meters, as the data produced is identical to what would exist if accumulation meters continued to be installed.

Country Energy believes that allowing the installation of interval meters with the ability to read these meters as accumulation meters below the nominated threshold will aid in the future preparation of a comprehensive systems and process development. The advantages to this approach are that a large number of meters will be installed. Once the system development is completed there will already be a significant pool of meters from which interval data may be extracted from and a greater number of customers will have access to this metering technology much earlier.

Country Energy reiterates that metrology should be made nationally consistent as far as possible. In this respect, Country Energy feels that it is important for the threshold for the 'type 5 accumulation boundary' to be consistent across jurisdictions, and therefore NEMMCO should take the Rule proposal further by proposing a nationally consistent threshold in consultation with Jurisdictions. This would lead to facilitation of competition across jurisdictions, while reducing compliance and administration costs.

Country Energy agrees that the next review of metrology needs to balance the need for allowing sufficient time for any changes the NER to be implemented and their impact analysed, and the need for the next review to be close enough so that the momentum gained for reform under the NEMMCO Rule proposals is not lost. However, Country Energy does not believe that a 30 June 2008 review date will allow sufficient time for participants to gain the necessary experience to allow meaningful and full analysis of their impacts. It is also important that the next review take into account the timing of the next round of electricity distribution price determinations, which in NSW, will be in well and truly underway during the first half of 2008.

We would be pleased to discuss this matter further. If you require further information or clarification in relation to this submission please feel free to contact myself on (02) 6589 8419 or Jason Cooke on (02) 6338 3685.

Yours sincerely



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