

19 May 2006

Mr John Tamblyn
Chairman
Australian Energy Market Commission
Level 16
1 Margaret Street
Sydney NSW 2000



Dear Mr Tamblyn

Harmonisation of Metrology

Ergon Energy Pty Ltd (Ergon Energy) appreciates the opportunity provided by the Australian Energy Market Commission (AEMC) to comment on the “*Harmonisation of Metrology*” Rule proposal. This submission is made by Ergon Energy in its capacity as an electricity retailer in the National Electricity Market (NEM).

Ergon Energy supports initiatives aimed at harmonising the existing jurisdictional and national metrology procedures and improving Chapter 7 of the Rules. Overall we believe the changes outlined in the Rule changes are a positive step in achieving these objectives. However, we wish to make the following comments.

Firstly, the Joint Jurisdictional Review of Metrology Procedures (JJR) in its final report recommended the continuation of the jurisdictional derogations in relation to the role of the responsible person for metering installation types 5, 6 and 7. This recommendation has not been reflected in the proposed Rule changes, as Clause 7.2.0 and associated changes to clauses 7.2.2(aa) and 7.2.3 (aa) are worded in such a way that the Responsible person for types 5, 6 and 7 metering installations must be the Local Network Service Provider.

Also, albeit there is regulatory uncertainty associated with fixed term jurisdictional derogations this is outweighed by the associated benefits of competition. Specifically:

- the existing jurisdictional derogations, which have specified timeframes, provide an opportunity for regular reviews to take account of changes in market conditions, commercial factors and the costs of metering technologies; and
- the jurisdictional derogations provide for an easy transition to competition in the areas of meter provision and metering services, should changes in the above mentioned market conditions or technological developments occur.

Given the above, it is suggested the relevant clauses be amended to more closely reflect the JJR recommendation.

Ergon Energy would welcome the opportunity to discuss this submission in greater detail. If you have any queries, please feel free to contact me on 07 3228 7536.

Yours sincerely

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