



16 June 2010

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Sir/Madam,

**RE: National Electricity Amendment (Provision of Metering Data Services and Clarification of Existing Metrology Requirements) Rule 2010
[AEMC Reference: ERC0092]**

Origin appreciates the opportunity to comment on the draft determination of the above rule change.

Origin supports the transfer of responsibility for metering data services from AEMO to market participants. We believe that market efficiency will be increased by this obligation change to metering data services. We are, however, concerned about the additional costs to market participants associated with the change and also contend that the responsibility for metering data services should be transferred to the Responsible Person (RP) and not the Financially Responsible Market Participant (FRMP). Our reasons for these conclusions are set out below.

1. Transfer of responsibility from AEMO

Origin agrees that the rule change will lead to greater market efficiency by providing greater clarity to the roles and responsibilities around metering data services. Origin recognises that the current Deed structure is cumbersome and complex, and that there is a lack of clarity around the specific requirements of Metering Data Agents (MDAs). The proposed rule change will provide needed clarity and thereby increase the ease with which requirements are satisfied by market participants in conjunction with their customers' needs.

The rule change will also increase efficiency by removing a degree of external regulatory supervision of commercial arrangements. Although AEMO will still accredit the Metering Data Providers (MDPs), the day to day responsibility for ensuring metering data services meet requirements will fall on market participants. This outcome is consistent with Origin's long-term view that "self-regulation" by market participants of their contracted service providers leads to the most efficient outcomes for all stakeholders.

Origin is, however, concerned about the increased resources that market participants will require to manage the responsibility for metering data services. As mentioned in earlier retailer submissions to the Consultation Paper in October 2009, the transfer of responsibility will mean additional monitoring, auditing processes, increased participation in activities and queries, and the development of new contractual



agreements with MDPs. Although Origin feels that the benefits of this rule change outweigh these additional costs, we ask for a reasonable lead in time to enable market participants to set up the necessary systems to fulfil these new responsibilities.

2. Our preference is for the responsibility to transfer to the RP, not the FRMP

Finally, Origin believes that in order to facilitate market competitiveness, the responsibility for metering data services should be transferred to the RP rather than the FRMP. The concern arises from the requirement of the responsible party (RP or FRMP) to monitor and audit the MDPs' services. To do this competently, the responsible party will require a sufficient level of meter-related technical expertise that is concomitant with the role of RP. Retailers acting as FRMP may not necessarily have the required technical expertise to fulfil these obligations for complex metering installations, potentially creating a barrier to entry for some parties.

Thus, responsibility for metering data services should be placed on the RP rather than the FRMP. In this case, the FRMP will have the choice to transfer responsibility for metering data services to the network service provider (distribution or transmission), thereby eliminating barriers to entry and ensuring competition. Origin recognises that some network service providers may not currently have the technical expertise to handle complex sites. However, as technically focused organisations, network service providers are better placed than retailers to efficiently acquire these skills.

If you have any questions about this submission please do not hesitate to contact Steve Clinch on 03 9652 5962.

Yours sincerely,

[Signed S. Clinch]

Steve Clinch
Energy Relationships Manager