

28 January 2016

Mr John Pierce
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Dear Mr Pierce

RE: Draft Rule Determination National Electricity Amendment (Meter Replacement Process) Rule 2015

United Energy (UE) appreciates the opportunity to respond on the Draft Rule Determination – National Electricity Amendment (Meter Replacement Process), Rule 2015.

In summary, UE is supportive of the rule change and raises the following concerns:

- The drafting in 7.8.9(e) (2) should be stronger than facilitate the alignment of meter exchanges and retail transfer date, they must be aligned in the case of all three roles changing at the request of the Incoming Retailer;
- UE suggests that a new clause 7.8.9 (g) be inserted to make it clear when the MC is able to arrange a meter replacement – when they are assigned in MSATS for the connection point, they have a commercial agreement for a pre-transfer meter exchange or the Incoming Retailers has requested a retail churn aligned to the meter churn; and
- Timeframes are overly ambitious, rather than delay the commencement of metering competition, it may be preferable if this rule change were deferred until 6 months after implementation of the meter competition rule.

Incoming retailer nomination of MC/MP/MDP must be limited to aligned meter exchange and retail churn scenario

UE generally support the draft rule change where the incoming retailer can nominate the parties to be appointed to certain roles (MC, MP, MDP) at a connection point prior to the retail transfer process completing, with such appointments only becoming effective if the retail transfer and meter exchange have completed on the same day. UE do not support a rule or process that creates the disconnect between the incumbent parties in the field undertaking the meter provision and data collection and those new parties registered in CATS. Processes where one MDP collects and provides data to another MDP so they can meet their obligations are highly manual processes and should be avoided for high volumes in the mass market.

The NER and CATS Procedures should align the operational role in the field and the responsible party registered in CATS as much as possible. This is consistent with the AEMC view that the regulatory framework should maintain certainty of rights and obligations for all parties.

Where a retail churn involves a meter exchange to meet the requirements of a new product/service, UE support the alignment of the retail churn with the meter exchange day. Retail transfer must not occur

until the meter is exchanged thus avoiding the MP/MDPs in the field being different from those registered in CATS and the need for “short” (un)contracted periods.

The MP/MDP must be aligned with the party operating in the field. The new MP/MDP must only be registered as responsible in CATS when the meter is changed and not on the retail churn date. Incoming retailers should only be able to nominate MC/MP/MDP and have these new roles become effective on the date of retail churn if the meter churn has occurred and only in that specific scenario.

The drafting of 7.8.9 (e) should reflect that the CATS Procedures must only allow an incoming retailer to use the specific change request to nominate an MC, MP and MDP where the meter exchange occurs on the same day as the retail transfer. If the retailer does not request this alignment in the CATS change request, the retailer should not be able to nominate and have the nomination for all three roles take effect on the retailer transfer date. The drafting in 7.8.9(e) (2) should be stronger than facilitate the alignment of meter exchanges and retail transfer date, they must be aligned in the case of all three roles changing.

Pre- retail transfer meter exchange

If the exchange of the meter to different configuration or services impacts standard control services then the distributor must be a party to the commercial agreement to change the meter out. Standard control services to the customer and applicable network charges will be impacted and may result in the need for the distributor to retrieve other equipment from site which would become unusable resulting in lost customer benefits for example load control equipment

UE suggests that a new clause 7.8.9 (g) be inserted to make it clear when the MC is able to arrange a meter replacement – when they are assigned in MSATS for the connection point, they have a commercial agreement for a pre-transfer meter exchange or the Incoming Retailers has requested a retail churn aligned to the meter churn. This drafting should facilitate a smoother transition to any consequential amendments in the AEMO procedures.

7.8.9 (g) A *Metering Coordinator* must not arrange the alteration or replacement of a *metering installation*, unless the *Metering Coordinator*:

- (1) is assigned in the *Market Settlement and Transfer Solution* as the *Metering Coordinator* at the *connection point*; or
- (2) has a commercial agreement with the *Metering Coordinator* assigned in the *Market Settlement and Transfer Solution* at the *connection point*; or
- (3) is nominated by the *Incoming Retailer* to be appointed at a *connection point*, with the appointment to become effective on the day that the *metering installation* is changed, being the same day that *market load* at the *connection point* transfers to the *Incoming Retailer* as the new *financially responsible Market Participant*.

Implementation

AEMC indicate a Final Determination on this rule in March 2016. AEMO indicate that the first round of consultation on all procedures will commence on 22 April in order to allow a 2nd consultation and a Final Determination by AEMO on 1 September 2016. This may mean that the changes to the procedures envisaged by the AEMC to CATS procedures, meter churn procedures, metrology procedure and service

level procedures needs to occur with industry workshops within a 3-7 week period. This is extremely tight.

These timeframes mean that engagement with industry is time constrained and the work cannot commence without a Final Rule. It will be extremely important for the AEMC to be explicit about the rule drafting and intent to avoid later issues with differing interpretations, particularly if the implementation is aligned to 1 December 2017 commencement to achieve synergies with the metering competition changes.

This rule change should not place the deliverables and the other work at risk in relation to metering competition if the extent of the consequential changes is more significant. Timeframes are overly ambitious, it may be preferable if this rule change were deferred until 6 months after implementation of the meter competition rule as part of the normal May industry release process, the commencement date for Schedule 1 in the proposed rule should reflect a May 2018 date.

UE consider the major metering activity in the NEM will be from new connections, faults and non-compliant meter families, any short delay in this proposed rule should not have a material adverse impact. Retailers can still manage new meters to be installed shortly after retail churn to facilitate new products in the interim.

UE welcomes the opportunity to participate in this rule change development and looks forward to the opportunity to participate in the development of the underlying procedures.

Should you have any comments in relation to this response please do not hesitate to contact me on (03) 8846 9856.

Yours sincerely

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