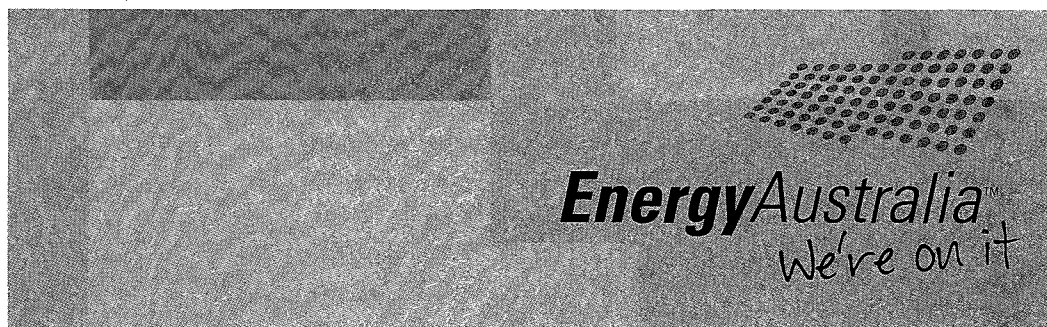


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14 December 2007

Dr. John Tamblyn
Chairman
Australian Energy Market Commission
Level 16, 1 Margaret Street
SYDNEY NSW 2000

Dear Dr. Tamblyn,

Draft Rule Determination: Integration of NEM Metrology Requirements Rule 2007

EnergyAustralia appreciates the opportunity to comment on the Commission's draft Rule Determination and accompanying draft Rule to harmonise metrology rules for first and second tier metering installation requirements.

EnergyAustralia's main comments concern Rule change proposals relating to clauses 7.2, 7.3 and 7.3.4 of the Rules. These clauses specify the conditions under which LNSPs will assume the role of Responsible Person for metering installations.

EnergyAustralia welcomes the Commission's statements reinforcing LNSP exclusivity with respect to Type 5 and Type 6 metering installations and that there will be no provision for market participants to elect to be the Responsible Person in Victoria for type 5 and type 6 meters. EnergyAustralia recognises that in its draft decision the Commission is not seeking to address the policy issue regarding the most appropriate arrangements for the Responsible Person in relation to metering installations.

EnergyAustralia reiterates the strong need for clarity, within the Rules, relating to the arrangements for determining the Responsible Person. Our understanding is that, in its 2007 decision on metrology harmonisation, the AEMC determined that an LNSP will be Responsible Person for meters capable of being remotely read under two conditions, only:

- a) The LNSP is elected RP by the FRMP (Rule 7.2.3 (b) and (c)); or
- b) A Type 5 or 6 metering installation is made capable of being remotely read where the provider (LNSP) determines that operational difficulties (such as restricted physical access) reasonably require the metering installation to be capable of remote data acquisition (Rule 7.3.4 (e)).

EnergyAustralia is concerned that this decision may not be fully realised under the current rules or the changes proposed in the current Rule proposal (No. 4).

As it is currently drafted, and under proposed changes in the Draft Rule, the use of the word "only" in Rule 7.3.4(f) implies a broader restriction on the ability of an LNSP to alter a metering installation to make it capable of remote acquisition than is necessary to ensure that the LNSP will only remain the default Responsible Person in such circumstances where the modification was reasonably required due to operational difficulties. The existing clause 7.3.4(f) would appear to provide that LNSPs may not undertake the RP role following election by the FRMP where a type 5 meter is modified for remote reading. However, this would be inconsistent with what we understand to be the intent of the AEMC's 2006 decision. We therefore suggest that proposed paragraph (f) should be either deleted or amended to ensure it does not restrict the operation of Rule 7.2.3 or the general ability of an LNSP to modify metering installations. This could be achieved by deleting paragraph (f) and amending paragraph (g) so that it only applies where a metering installation is altered in accordance with paragraph (e).

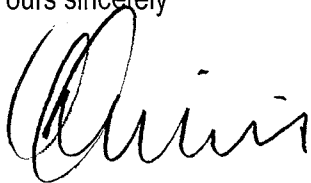
EnergyAustralia does not object to the proposal to grandparent existing arrangements, via the transitional and savings provisions in the Rules, applying only in Victoria, under which FRMPs are exclusively Responsible Persons for less than one hundred and fifty metering installations servicing certain plus 160/MWh p.a. customers. EnergyAustralia supports the intent within the Draft Decision that these transitional arrangements would cease when existing meters are replaced or if affected consumers switch retailer.

It is difficult to identify any rationale for placing an arbitrary end date on this transitional arrangement, consistent with the National Electricity Market Objective. We would therefore support a provision requiring NEMMCO to report to the AEMC in the event the transitional arrangements are no longer required – i.e. after the last existing meter in the transitional group has been removed – so that this provision can then be removed entirely from the Rules.

In its earlier submission on this matter, EnergyAustralia suggested the AEMC consider providing a definition for the term "affected parties" in NEMMCO's proposed Rule change number eight. In its draft decision, the Commission proposes substituting this term with the term "registered market participant". EnergyAustralia agrees and is comfortable with this Draft Decision.

Please do not hesitate to contact Mr. Harry Colebourn on (02) 9269 4171 to discuss any of the matters raised above.

Yours sincerely



Geoff Lilliss
Executive General Manager Network