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Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235  
[aemc@aemc.gov.au](mailto:aemc@aemc.gov.au)

Attn: Mr Mark Tutaan or Mr Rory Campbell

**AEMC ref: ERC0092**  
**RULE CHANGE REQUEST BY AEMO (nee NEMMCO)**

Dear Sir

Please find below my submission regarding the rule change as mentioned above.

**REMOTE READ HOT WATER METERS**

I am truly horrified that you would contemplate the inclusion of Hot Water Meters (HWM) in provisions of metering services for remote read Bulk Hot Water (BHW) sales in the recent Jemena ruling.

I object to any hot water meter being included in any rule or law contemplated by the AEMC or any other energy entity.

These meters are not utility meters, nor are they energy meters.

BHW is an excluded (other) service proffered by Energy Distributors and their preferred sole trading partners, Energy Retailers and other non-energy Privateers. To create another category of meter provision

In Queensland they do not sell energy, for there is no form of ascertainment or conversion factor, and you will wrongful allowing these BHW billing arrangements to be included in energy law.

BHW is incontestable, and the consumer cannot trade their account with anyone, for it is a site monopoly that relies on Exclusive Trading regimes, in the jurisdictions.

Including the metering service for hot water meters, adds to the Supply Charges of all Gas and Electricity consumers, and it will become a non-transparent cost added to bills. Consumers will never know what the true cost of this remote read service truly is.

## **PROFITEERING**

Profiteering is already evident in Queensland and Origin currently mark-up the manual read service by 55% in bills to consumers. Their remote read is 3 times more than manual read.

The upgrading of manual to remote read meters will see the installation costs of these new meters forced on to consumers who have no choice. This will not be done at the end-of-life of the old meter and will be an unfair impost on the entrenched consumer.

The AEMC has to remember that it is the property owner who has arranged for the supply of BHW to occupants and consumers. It is up to the "remote read meter provider" to arrange with the property owner of body corporate for the early replacement of these new meters and for them to pay for installation.

After all, no legally enforceable contract exists with the consumer.

What guarantee can the AEMC give that profiteering of this remote read meter system will not happen?

## **DISCONNECTION**

The ability for the billing agent to cut a consumer off by remote control is an abomination. No oversight for this is currently included in Queensland, and the Energy Ombudsman is not permitted to deal with hot water.

Current laws, rules, codes and procedures in Queensland do not mention hot water.

Who will Queenslanders turn to when this happens? Surely not the Queensland Government, for they sold 13,700 ex-Energex customers to Origin, with no form of regulation existing or even contemplated. They have aided and abetted Origin in now having the largest (and now consolidated) site monopoly in Queensland.

Who will we turn to.

What guaranteed arrangements have the AEMC put in place to insure this does not happen?

## **SUPPLY CHARGES**

All energy consumers will be paying for an exclusive service that they do not have, or use, and will cause cross-subsidisation of this cost, for the industry just bundles up these charges in Supply Charges.

The cost of Hot Water Meters, their maintenance and replacement, their manual and remote reading cost, and their amortisation over time by Distributors is for them to pay for.

What guarantee can the AEMC give that remote reading fees will not be used to cross-subsidise the market?

## **EMBEDDED CONSUMERS**

This term is, under energy law, described as on-selling of electricity (only) by property owners to tenants and occupants in a small scale distribution network such as caravan parks and the like, via electricity cables.

No embedded networks for gas supply exist for one needs a gas meter to sell gas. BHW consumers buy no form of energy at all, for a site network of water pipes imparts no energy, nor Mj's, nor kWh's, nor calorific value of any kind to their abode.

## **MRG**

The MRG includes representatives from distribution network service providers, retailers and metering service providers.

I fear that AEMO / NEMMCO is pandering to an exclusive lobby group without proper consideration of the consumer, the energy laws, codes or rules.

Energy Law is quite strict and specific on what energy is, for it is only gas and electricity and nothing else. Water, hot water, hot water meter and hot water meter reading fees are not mentioned in any national or jurisdictional energy law. There is a passing reference in the Victorian Energy Code, but that code has not been taken up Australia-wide.

In different jurisdictions Body Corporate may not include the consumer.

2008 Metrology Program Plan', Version No: 1.1, NEMMCO, January 2008, page 24, should not be used to sanction the metering of any hot water.

## **METERING ANYTHING AND EVERYTHING**

AEMC, AEMO, AER, Metering services and the proposed "Responsible Person" need to understand that electricity distribution cables can also be used as a avenue to provide internet services.

New and future technology has constantly changed rapidly in metering regimes. If gas and electricity were to power other things that can be sold as not being Mj's or kWh, but measured and metered as something else, will the AEMC contemplate having this type of remote read meter as part of energy law, code or rule?

Does this mean that any service that can be read as a remote read data gathering service can also be added to energy law?

## **UTILITIES**

Hot water meters are not utility meters. The common thinking of utilities is that they are broad scale distribution systems for potable (drinking) water, gas, electricity, telephone, cable TV, optical fibres etc.;. They usually pass by on the footpath/road reserve and then enter the property of the consumer.

There is no "hot water pipeline" in existence from the footpath to the consumer, and cannot properly be seen as a utility, nor its hot water meters.

The hot water distribution network is within a building or site, and does not service other consumers beyond the property boundary.

What other “utility” does the AEMC contemplate to include in energy law and rules?

## **NETWORK LOADS**

It is obvious that the master meters that power BHW, with gas and electricity, are putting load on networks and this has seen terms like un-accounted gas UAG or lost gas being an unknown factor for load shedding.

I can understand that remote read and monitoring will assist the industry, but this cost to upgrade a private corporation's network imparts no benefit to the consumer. Consumers gain no access to the monitoring of use, or time of use tariffs, and only get an indication of use at the end of a billing period.

The hourly or half hourly monitoring of the hot water usage, remote read hot water meters, imparts no energy use or network load information.

Manual and remote read electricity and gas meters do this, and hot water meters of any type never impart any network load information.

## **ASSET VALUATION AND AMORTISATION FOR TAX RIGHT-OFF**

Allowing meter owners to use the energy law and rules to gain significant benefits at the cost of consumers is unfair. Hot water meters, their installation, maintenance, repair and replacement should be borne by the entities that profit from this bulk hot water billing arrangement.

It is their asset, not the consumers' asset or indeed, society's asset. It is up to the industry to pay for this section of the market, for it is not an energy meter.

What guarantees can the AEMC offer to ensure that consumers are not forced to pay for a private corporation's system build cost?

## **AUDITOR GENERAL OF VICTORIA**

The Auditor General of Victoria has lately presented a report on the introduction of smart meters in that state. It is a scathing critique of the cost and cost benefits of the roll-out of these meters. The industry has an inglorious past, and consumers have every right to question the roll-out of remote read hot water meters.

Where is the cost benefit analysis for the current and future roll-out of remote read hot water meters?

## **WHAT IS A METER AND WHERE IS A METER**

Under energy law a meter is clearly defined as a device to measure gas or electricity and nothing else. The trouble with the AEMC, AEMO, AER and each jurisdictional law and regulator, is that they do not work from the same dictionary.

A supply point is also an energisation point or a meter point or an activation site or many other words used to

describe a meter.

Now suddenly an energy meter is also a water meter.

A customer is a consumer, or a user or a taker or receiver of energy, or may other descriptions.

A site is an installation or a property, or a residence, or an address, or many other things.

How are Australian's expected to truly understand these august bodies if they all speak a different language?

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Thank you for considering my submission and my I request that the AEMC think about the Australian public before consideration of any rule change.

Yours most sincerely

*Kevin McMahon*

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