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

Dear Dr Tamblyn

**DRAFT RULE DETERMINATION AND
DRAFT NATIONAL ELECTRICITY AMENDMENT (METROLOGY) RULE 2006**

TransGrid welcomes the opportunity to comment on the AEMC draft Rule Determination and the draft National Electricity Amendment (Metrology) Rule 2006.

Please find attached TransGrid's submission in response to the documents published 24 August 2006 on AEMC's website.

If your staff have any questions in relation to the submission they should feel free to contact TransGrid's Mr David Craig on (02) 4967-8734.

Yours sincerely



Philip Gall
Manager/Regulatory Affairs
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13 / 10 / 06

Draft Rule Determination Comments

Section 3.6.2(e) Submissions in relation to Accredited Service Providers

It is noted that the Commission's changes to the proposed clause S7.4.5(a) extends the scope of this clause to include Types 1 to 6 metering installations compared to the original proposed Type 5 and 6 metering installations only.

The original Type 5 and 6 metering installations would generally have covered retail contestable market 240V and 415V metering installations only. Under this revised scope, ASPs may potentially now also work on wholesale market high voltage metering installations.

It will be critical that the competencies of an ASP are consistent with the requirements for Metering Providers under Schedule 7.4, the Metrology Procedure and Metering Provider Service Level Rules for the scope of the metering installation work contemplated by this extended clause.

There will also be a need for accredited ASPs to be qualified and certified to work under the Network Service Provider's Safety Rules, operating practices and other OH&S guidelines applicable to the scope of any works and services to be performed at its high voltage sites.

Section 3.7.2(b) Submissions relating to the responsible person's responsibilities

The AEMC proposed draft clause 7.2.5 parts (a), (b) and (c) does not adequately address the situation where the *responsible person (RP)* is both the *LNSP* and *Metering Provider (MP)*.

In this situation the *responsible person* will not enter into an agreement with the *Metering Provider*. Consequently, draft clause 7.2.5(b)(2) has no reference point in time for the commencement of the 10 business days permitted to supply NEMMCO with the information specified in Schedule 7.5, since no *Responsible Person-Metering Provider (RP-MP)* agreement is formally entered into for that connection point.

However, draft clause 7.2.3(h)(2) does place obligations on the *LNSP/RP* to provide NMI details to NEMMCO within 10 business days of entering into a connection agreement with a *Market Participant*, and draft clause 7.2.5(d)(6) places an obligation on the *RP* to provide information specified in schedule 7.5 to NEMMCO only when requested by NEMMCO.

These provisions appear inconsistent and confusing where the *LNSP* is both the *MP* and the *RP*, and where there is no requirement to enter a *RP-MP* agreement.

The insertion of an additional clause to clarify when the 10 business days is to commence in the absence of a *RP-MP* agreement, i.e. where the *RP* is the *MP*, would be beneficial.

There are other problems with the practical application of these clauses for wholesale market connection points with long-lead times for the procurement of high voltage equipment, where the final design and nature of the connection is often negotiated over many months, and the period between design and commissioning may be typically 6-24 months or longer. In these circumstances the 10 business day notification rule and the current triggers for this notification are impractical and often irrelevant. This is particularly true for metering installations associated with new power stations and new substations which often require significant changes to NEMMCO network models and back end settlements systems with much longer NEMMCO lead time requirements than required for retail market connection points.

These clauses require significant re-drafting if they are intended to have meaningful application for these situations. It is recognised that this is outside of the scope of the current consultation, however, it is mentioned for inclusion in the scope of other changes being considered to the Rules.

Section 3.7.2(c) Submissions relating to the responsibility of the LNSP

It is noted that the Commission recognises the potential merit of having clause 7.2.2(ab) reference the B2B Procedure: Service Orders and that this suggestion is seen outside of the scope of the NEMMCO proposed amendments.

Clause 7.2.2(ab) is restricted to the retail market Type 5 to 7 metering installations and any changes to uplift additional B2B process requirements into the Rules should have their scope limited to the retail market segment. B2B Processes are specifically excluded from the Type 1 to 4 wholesale market as the wholesale market does not use these processes.

Section 3.7.2(e) Submission relating to the other responsibilities of the responsible person in connection with the role of the FRMP

In the Commission's consideration and reasoning response it is stated that the Commission has separated clause 7.2.5(g) into two separate clauses. It was not stated what that these two separate clauses now are, however, it is assumed that they are 7.2.5(d)(9) and 7.3.4(i).

If this is the case, then the Commission's modification to the NEMMCO proposal clarifies that the *FRMP* may only unilaterally direct the alteration of a Type 5, 6 or 7 metering installation subject to the requirements of clause 7.3.4(e) being satisfied, and under these circumstances, that the *Responsible Person* must allow the alteration of the metering installation as provided in clause 7.2.5(d)(9).

The Commission's modifications appear reasonable if this is the intention.

Section 3.7.4 Issues relating to the payment of metering

The inclusion of the Commission's draft clause 7.3.6(g) requiring the parties to negotiate in good faith to ensure that the *LNSP* is reasonably compensated for alterations to Type 5, 6 or 7 metering installations directed by the *FRMP* under clause 7.3.4 would appear to provide a mechanism for the *LNSP* to negotiate fair compensation. However, the effectiveness of this provision will be dependent upon the willingness of the parties to negotiate and resolve compensation payments within a reasonable time frame.

Draft Rule Comments

[Item 6]

Clause 7.3.1(f)

This clause requires the *Responsible Person* to register the *NMI* with *NEMMCO* in accordance with procedures specified by *NEMMCO*. However, *MSATS* currently only allows *LNSPs* to register new metering installations. *MSATS* will need to be re-configured by *NEMMCO* in order to allow *Responsible Persons* to register metering installations (*NMIs*) directly.

[Item 15]

Clause 7.11.1(d)(c)

This clause currently references rule 7.9.3(a) and it is suspected that it should reference rule or clause 7.9.4.

[Item 36]

References to the National Standards Commission

References to the "National Standards Commission" should be changed to the "National Measurements Institute".