

30 April 2007

Dr John Tamblyn
Chairman
Australian Energy Market Commission
PO Box H166
Australia Square, NSW 1215

Dear John

**Proposed Changes to the National Electricity Rules –
First Tier Metering Installation Requirements**

In accordance with s.91 of the National Electricity Law (NEL), the National Electricity Market Management Company (NEMMCO) hereby submits Rule change requests to further address the recommendations of the Joint Jurisdictional Review of the Metrology Procedures (JJR). These Rule changes are primarily intended to permit the harmonisation of first tier metrology requirements and bring them into the same Rule framework that now exists for the second tier metrology.

For ease of presentation the 26 Rule changes have been split into six groups:

Rule changes No. 1 and No. 2:

- Incorporate and harmonise metrology requirements for first tier connection points, which are currently the responsibility of individual jurisdictions, into the NEM metrology framework.

Rule changes No. 3 to No. 15:

- Consequential upon accepting the changes above, these Rule changes harmonise current jurisdictional metrology requirements for first tier connection points with existing requirements for second tier connection points to the maximum extent possible, consistent with jurisdictional policy.

Rule change No. 16:

- Removes duplicate requirements within the existing Rules.

Rule changes No. 17 to No. 24:

- Address NEM efficiency issues identified as a consequence of the industry consultation undertaken as part of NEMMCO's *Integrate First Tier Metrology* project.

Rule change No. 25:

- Addresses a metering installation audit issue identified by NEMMCO.

Rule change No. 26:

- Addresses minor editorial changes identified when developing the change proposals above.

Mansfield Office
PO Box 2516
Mansfield QLD 4122
Tel: (07) 3347 3100
Fax: (07) 3347 3200

Melbourne Office
Level 12
15 William Street
Melbourne VIC 3000
Tel: (03) 9648 8777
Fax: (03) 9648 8778

Norwest Office
PO Box 7326
Baulkham Hills BC NSW 2153
Tel: (02) 8884 5000
Fax: (02) 8884 5500

Sydney Office
Level 22, Norwich House
6-10 O'Connell Street
Sydney NSW 2000
Tel: (02) 9239 9199
Fax: (02) 9233 1965

These First Tier Rule change proposals have been developed by NEMMCO:

- in response to the recommendations of the Joint Jurisdictional Review of the Metrology Procedures (JJR);
- consequent to the Rule changes that were determined by the AEMC in November 2006 to incorporate and harmonise jurisdictional metrology requirements for second tier connection points in the NEM metrology framework;
- with extensive consultation and endorsement by industry groups through the NEMMCO facilitated Retail Market Executive Committee;
- in discussion with and general endorsement by jurisdictional regulators and policy makers; and
- in accordance with the "Guidelines for proponents: Preparing a Rule change proposal", published by the AEMC.

The proposed Rule changes are detailed in Attachment A, and a change marked version of the current Rules showing the impact of the proposed changes is provided in Attachment B.

Should the AEMC adopt these First Tier Rule changes, there will be a need for complementary changes to the NEM Metrology Procedure, and a need for NEMMCO to coordinate consultation activities in relation to the NEM Metrology Procedure with the AEMC's determinations, to ensure a common effective date can apply to both the amended Rules and the NEM Metrology Procedures. NEMMCO has prepared draft changes to the NEM Metrology Procedure based on this Rule change submission. I would be pleased if the AEMC could keep NEMMCO informed on the progress of deliberations in relation to these Rule change proposals to facilitate appropriate coordination between the two parallel activities.

In the development of the Rule change proposals NEMMCO has advised the jurisdictional regulators of the relevant provisions that would be superseded by the combined changes to the Rules and Metrology Procedure. NEMMCO will continue to liaise with jurisdictions in relation to the need for these superseded provisions to be removed from their instruments.

The AEMC is requested to consider these proposed changes to the Rules.

If you require further clarification on this request, please do not hesitate to contact me on 02 9239 9103, or Mike Robson, Head of Retail Market Development, on 03 9648 8728.

Yours sincerely


Brian Spalding
Chief Operating Officer

Att: ATTACHMENT A: Requests for Amendment to the National Electricity Rules
ATTACHMENT B: Change-marked version of Rules