

3 February 2006

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

Dear John

**National Electricity Rules – Request for Rules  
Rules to facilitate metrology harmonisation and replace expiring derogations**

In accordance with s.91 of the National Electricity Law (NEL), the National Electricity Market Management Company (NEMMCO) requests the Australian Energy Market Commission (AEMC) to make Rule changes that will:

1. Provide for a single metrology procedure to replace the separate existing national and jurisdictional metrology procedures;
2. Provide within Chapter 7 of the Rules scope for the Local Network Service Provider to be deemed the party responsible for the metering installation without the need to renew jurisdictional derogations in Chapter 9 that will expire 31 December 2006;
3. Introduce changes within Chapter 7 that reflect the straightforward recommendations from the *Joint Jurisdictional Review of the Metrology Procedures – Final Report<sup>1</sup> (JJR)*; and
4. Make editorial changes within Chapter 7 that improve readability, correct errors, and recognise the creation of the National Measurement Institute.

This request for Rule changes has been developed by NEMMCO in response to the recommendations of the JJR.

The content of the Rule change proposals in this submission are known to the jurisdictional regulators and have been developed with input from industry groups.

The following supporting material is provided:

1. Statements describing the Rules changes, the issues concerning the existing Rules, and how the proposed Rules changes address those issues in a manner consistent with the NEM objective are included in Attachment A.
2. A notated draft of the proposed Rules is provided in a separate file as Attachment B to assist in the understanding of the submission and the context of the proposed changes.

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<sup>1</sup> Published at <http://www.esc.vic.gov.au/electricity648.html> and included with this submission (Attachment C).

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3. A copy of the JJR final report is provided for your reference as a separate file (Attachment C).
4. A copy of the ACCC Authorisation of Victorian metering derogations is provided for your reference as a separate file (Attachment D).

The JJR final report and the ACCC Authorisation contain relevant discussions of the issues in this submission, and are referred to in the submission.

The implementation of a single NEM metrology procedure requires coordination of the consultation activities in relation to the proposed Rules changes and the proposed single NEM metrology procedure, to ensure a common effective date can apply to both the Rules and the NEM metrology procedures.

NEMMCO has prepared a draft harmonised NEM metrology procedure based on the existing jurisdictional and NEM metrology procedures, and has obtained approval from the current jurisdictional metrology coordinators to conduct a single Rules consultation on their behalf, in accordance with Rules clause 7.3.1 (ba)(2), as a precondition to the adoption of the harmonised NEM metrology procedure. The submission to AEMC includes a request for a Rule to facilitate the single NEM metrology procedure taking effect from the same date as any Rules changes agreed by the AEMC.

NEMMCO seeks the assistance of the AEMC to coordinate consultation timeframes for the Rules request and the NEM metrology procedure.

I would be pleased if you would consider the proposed changes to the Rules as contained in this letter, and proceed to make these changes as Rules in accordance with the National Electricity Law to enable the changed Rules to be gazetted prior to 31 December 2006. 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: Statement in support of request for changes to the Rules  
Attachment B: Rules change proposals  
Attachment C: Joint Jurisdictional Review of the Metrology Procedures – Final Report  
Attachment D: ACCC Authorisation of Victorian metering derogations, March 2005