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13 December 2007

By Email: submissions@aemc.gov.au

Dr John Tamblyn
Chairman
Australian Energy Market Commission
L16, 1 Margaret Street
Sydney NSW 2000

Dear Dr Tamblyn

Proposed Changes to the National Electricity Rules, First tier metering installations

Thankyou for the opportunity to comment on the AEMC Draft Determination and Draft Rule to integrate first tier metering installations into the Rules.

Alinta Asset Management provides this submission on behalf of United Energy Distribution and Alinta AE in response to your Draft Determination and Draft Rule.

We generally support the intention of the Rule changes. However, we note that a considerable amount of re-drafting has been undertaken by the AEMC. Our submission suggests a number of drafting amendments to facilitate clarity of the definitions or the obligations and role responsibilities. We recommend that the AEMC has regard to the diligent and thorough process that NEMMCO has undertaken in providing the rule proposals.

Please do not hesitate to give me a call on (03) 8544 9447 or email me on verity.watson@alinta.net.au if you require further information in relation to this matter.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'V. Watson'.

Verity Watson
Manager Market Regulation



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Submission to Australian Energy Market Commission (AEMC)

Re: National Electricity Amendment, Integration of NEM Metrology Requirements, Rule 2007

United Energy Distribution and

Alinta AE Limited

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13 December 2007



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Alinta Asset Management, Australia's leading provider of infrastructure solutions, is the prime contractor for the electricity network owned by United Energy Distribution. AAM is not the agent of United Energy Distribution.

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1 Introduction

Alinta Asset Management (AAM) appreciates the opportunity to make this submission on behalf of United Energy Distribution (UED) and Alinta AE (AAE) in response to the Australian Energy Markets Commission's (AEMC) Draft Determination on the Integration of National Electricity Market (NEM) Metrology Requirements into the National Electricity Rules. AAM provides asset management services to both UED and AAE (the businesses), including the provision of metering and meter data services to around one million customers in Victoria.

In 2006 the Joint Jurisdictional Regulators Review gave National Electricity Market Management Company (NEMMCO) a mandate to develop a single national metrology by merging the jurisdictional metrology procedures covering 2nd tier metering installations into the national metrology procedure. During 2007, NEMMCO progressed development of the changes to incorporate 1st tier metering arrangements from the various jurisdictional instruments and submitted a rule change proposal to the AEMC and an amended metrology procedure. It did this within a well-managed process in close consultation with an industry working group that provided an effective expert forum within which NEMMCO developed and finessed the wording to ensure that a balanced and clear rule proposal has been submitted to the AEMC. In contrast to a rule change proposal from a single participant, this one has been developed with strong industry involvement from retailers, distributors, competitive meter providers, NEMMCO and NEMMCO's legal adviser. We recommend that the AEMC has regard to the diligent and thorough process that NEMMCO has undertaken and the expert resources that it has brought to bear. Accordingly, before determining any changes to NEMMCO's proposed rule change, we recommend that the AEMC consider whether it is in a better position than NEMMCO and the combined industry to determine something different.

The extent of drafting amendments put forward by the AEMC in its Draft Determination is substantial. We consider that some of the AEMC's amendments provide little extra clarity and may in fact create more confusion. Where there are substantial changes, the AEMC is choosing to alter the interpretation or balance of the drafting in a manner that will have an impact on the rules and the underlying procedures. It would be necessary for the AEMC to reconvene the industry working group with NEMMCO to walk through its proposed redrafting for it to be properly informed of this impact and to be satisfied that the amendments are an improvement, which they may not be. We would be happy to be part of this process, particularly where the AEMC is making amendments to fundamental definitions, which have a flow on effect to other instruments. The alternative, where the AEMC consults stakeholders individually on new material is unlikely to inform the AEMC adequately and risks the AEMC being placed in a position of arbitrating between competing expert views and making a final decision that is not in the long term interests of either customers or the industry.

It would be useful for future processes, if the AEMC linked each of proposed rule change amendments to a particular rule clause. It would also be useful to understand the AEMC's amendments to the original proposal. This could be readily achieved by the AEMC marking up the amendments on the proposed rules, this would facilitate the clarity of what the original proposal intended in relation to the current law and how the AEMC was moving the drafting away from the current law and from the original proposal. We recognise that this may become cumbersome where there are significant drafting changes and relocation of clauses by the AEMC, however we still believe that this would assist the overall effectiveness of the consultation process.

Notwithstanding our concerns above, we make the following specific comments on the AEMC's Draft Rule Determination.

2 Rule 1 – Extend the scope of Chapter 7 to cover all connection points in the national grid

The Commission considers the incorporation of 1st tier connections is implied by the application of the Chapter to all Registered Participants and hence has deleted NEMMCO's proposed CI 7.1.1.

The businesses have no further comments.

3 Rule 2 – Grandfathering of existing 1st tier requirements

The intent of the amendment is to allow 1st tier metering installations that were installed prior to an effective date to be deemed to be compliant with the Rules if they met the applicable jurisdictional requirements at the effective date of the Rule change. This is intended to allow stocks to be run down where the metering equipment may not be compliant with the new standards.

The Commission supports the grandfathering provision for metering installations that are compliant with current jurisdictional arrangements at a specified date, which is currently proposed as 30 June 2008.

In order to clarify the jurisdictional requirements, the Commission proposes to include a requirement on NEMMCO to publish in the metrology procedure, the relevant jurisdictional requirements that are to apply to first tier metering installations. This requirement is reflected in the drafting of Clause 11.X.3 (c). The applicable jurisdictional arrangements are incorporated in a number of instruments and we believe that they could be reflected in a concise separate section of the metrology procedure. The businesses support this approach given some type 5 and 6 meters or metering current transformers (CT's) could be in use for the next few decades, well beyond the timeframes that the jurisdictional websites might still include such old metering related documents.

The number of meters that would be grandfathered by this clause in Victoria is relatively small. The clause mainly grandfathers existing customers above 160MWhpa who are 1st tier (and remain first tier) who have a jurisdictionally compliant type 5 or type 6 metering installation.

The Commission seeks comment on whether 30 June 2008 is the appropriate date for grandfathering of first tier metering installations.

The businesses are comfortable with the effective date of 30 June 2008 for grandfathering.

The Commission invites comment from stakeholders as to whether transitional arrangements should be included in the Rule to be made and if so, the timing for those arrangements.

The Commission notes that the proposed rule change would avoid requiring the immediate replacement of first tier metering installations following the inclusion of the first tier metering standards within the Rules. However, it is our understanding the intent of the proposal was to avoid an unnecessary meter replacement created by the Rule change proposal whilst the metering installation continued to meet the jurisdictional requirements.

Where the metering installations are 1st tier with a type 5 or 6 meter, equal to or above 160MWhpa, then the meters will need to be replaced with a Rules compliant type 4 metering installation as the connection points become 2nd tier, or as the meters fail, or the meter family becomes non compliant. In Victoria, as Advanced Interval Meter Roll Out (AIMRO) progresses these customers will be the only customers continuing to be manually read on the legacy systems. On this basis, the transition to type 4 metering installations will be agreed between the retailers and distributors as the distributors may eventually seek to close down the manual meter reading routes. We do not support a transition or end date rule change as we believe that the retailers and distributors will be able to come to an alternative arrangement at the appropriate time. Allowing the industry to make arrangements regarding the natural end to the grandfathering is a more efficient process and will contribute more effectively to the NEM objective than a rule imposition at this point in time.

3.1 Allow flexibility on grandfathering in light of a national smart meter rollout

The MCE/COAG are considering a national smart meter roll out and may make decisions on the roll out approach and whether a roll out should proceed on a national basis sometime in 2008. It is likely that the jurisdictions will make their own call on whether to proceed with a roll out and on what timeframes. The drafting of any transitional arrangement or end date to the grandfathering should take into account these national smart meter roll out timeframes. We consider that the drafting of any transitional arrangement would be difficult to do at this stage and the jurisdictions roll out decisions will lead to a natural end to the grandfathering.

3.2 Minister reviews provides a safeguard

The Rules in the past have required the Metrology Coordinator to undertake a periodic review, including the effectiveness of continuing profiling and the arrangements for type 5 and 6 metering installations. This obligation has been transferred to the Ministers of the participating jurisdictions in CI 7.13 (g). The Minister review must be completed by 30 June 2009 and it must review type 5 and 6 metering installations and the metrology procedure. As part of this review it is likely that the grandfathering arrangements would be considered in light of each of the jurisdictions smart meter roll out decisions. Given the past metrology review processes, it is highly likely that the Ministers will establish the need for a further review in about 3-6 years time. The review, following the 2009 review, by the Ministers would also provide another checkpoint on the appropriateness of grandfathering. Hence, we suggest that the end date on grandfathering remain flexible at this stage, there are sufficient commercial drivers or review processes that any rule amendment is considered unnecessary.

4 Rule 3 – Jurisdictional variations in the election of the responsible person

In Victoria a market participant may elect to be the responsible person for a type 5 or type 6 metering installation for a 1st tier customer with a load that is greater than or equal to 160MWhpa. The Commission has decided to adopt transitional arrangements for Victoria where the local retailer has exercised their option to be the responsible person. The transitional arrangements are intended to allow the local retailer who is already the responsible person to continue but there will be no continuing provision to allow the market participant to elect to be responsible person for type 5 and type 6 metering installations beyond the commencement of this Rule change.

The businesses are supportive of this transitional approach and suggest the following drafting amendments to improve the clarity of the transitional arrangements to ensure it aligns with the intent.

11.X.4 First-tier load metering installations in Victoria

- (a) Subject to paragraph (b) and despite the *Rules*, a *Market Participant* who is the responsible person for a Victorian *first-tier load equal to or greater than 160MWhpa* with a type 5 or type 6 *metering installation* immediately before the commencement date is taken to be the *responsible person* for that *metering installation*.
- (b) A *Market Participant* who is taken to be the *responsible person* for the *metering installation* referred to in paragraph (a) must ensure the *metering installation* meets the applicable jurisdictional requirements for that installation as included in the *metrology procedure* in accordance with clause 11.X.3(c).

The Commission seeks comments from interested stakeholders as to whether an end date should be included in the Rule and what that end date should be.

In line with our comments above in Rule 2, we consider that the local retailer is best placed to manage the natural and appropriate ending of this arrangement. There are processes in place and review points that can assess whether a regulatory imposition is needed, however a belt and braces approach is not required at this stage. Hence, we suggest that the end date on grandfathering the local retailer as the responsible person for a type 5 or type 6 metering installation remain flexible, there are sufficient commercial drivers or review processes that any rule amendment is considered unnecessary.

5 Rule 4 – Recognition of arrangements to provide facilities in addition to those normally provided by the responsible person

The intent of the original provision in Clause 7.2.3 (j) was to allow the Market Participant to:

“request to install a metering installation of a type that is different from that already installed, or that provides facilities in addition to that which the Local Network Service Provider otherwise would install, in accordance with the metrology procedure.”

The Commission states that they are supportive of providing the ability for end use customers to be able to alter a metering installation for any specific value added requirements and that this is covered under 7.3.1 (c).

Furthermore, the Commission considers that matters of cost recovery should be addressed in the Rules and states that they have incorporated the cost recovery for the LNSP of a market participant requesting to alter a meter in the cost recovery provisions of Clause 7.3.6. We are supportive of the incorporation of a clause that clarifies cost recovery in line with the current jurisdictional instruments. However the cost recovery under Clause 7.3.6 is limited to alteration under 7.3.4 (i.e. the addition of the capability of remote acquisition) of a type 5 or type 6 installation and where the alteration leads to the LNSP no longer in the role of the responsible person. The drafting of Clause 7.3.6 (g) clearly contemplates some form of an exit fee where the market participant elects to take on the responsible role of a meter capable of remote acquisition. The current drafting is limited in nature and does not cover the original intent. We suggest a new sub clause (3) in 7.3.6 (g) to cover the ability to recover costs for any alterations requested under 7.3.1 (c).

(g) Where:

- (1) a *financially responsible Market Participant* alters a type 5, 6 or 7 *metering installation* under clause 7.3.4 that leads to a change in the classification of that *metering installation*; and
- (2) the Local Network Service Provider is no longer the responsible person for that metering installation, or

- (3) a financially responsible Market Participant requests alteration of a metering installation under clause 7.3.1 (c);

the parties must negotiate in good faith to ensure the *Local Network Service Provider* is reasonably compensated for the alteration to the *metering installation*.

6 Rule 5 – Data storage capacity of type 6 metering installations

The Commission has made minor drafting amendments to the original proposal to cover the data storage requirements of a type 6 metering installation in Clause 7.3.1 (a) (14) below.

- (14) if a type 6 *metering installation*, include facilities to continuously record by a visible display the total accumulated *energy* supplied through it, in accordance with subparagraph (1).

We understand that the original proposal was intended to ensure that a customer's consumption would not roll off the display and cause the meter to continue to the '00000' position too many times within a year. The original drafting suggested that the meter needed to record at least 12 months consumption before roll over to the '00000' position to assist the customer with matching the displayed read to the retail bill. This concept has been lost in the current drafting.

In Clause 7.3.1 (a) (1), every metering installation must contain a device that has a visible display or an equivalently accessible display of the cumulative total energy measured by that metering installation. We consider that the addition of sub clause (14) does not add anything in addition to the current sub clause (1) and its linkage back to sub clause (1) creates circular drafting. We recommend that sub clause (14) be deleted or that NEMMCO's original drafting be re-instated.

7 Rule 6 – management of losses between the connection point and metering point

Given that the NEMMCO proposed drafting captured a larger number of connection/metering points than was originally intended, this created a significant number of responses in the first round of consultation. We support the AEMC decision not to proceed with these changes in its Draft Determination and Final Rule Determination.

8 Rule 7 – Metering standards for non market generators

The Commission is seeking comment from stakeholders as to whether the upper limit for accumulation meters should be brought in line with the volume limits set by the jurisdictions.

The AEMC has referred to the possible adoption of a new upper limit for the use of accumulation meters for non market generation. The new limit “r” would be set by NEMMCO in the metrology procedure. In assessing the value of “r” is this based on gross or net metering values? And is “r” the import or export threshold? We suggest that further clarity on “r” and agreement across the industry is required before proceeding with this new approach.

In Victoria DPI have made a decision to proceed with an advanced interval meter roll out. Once the advanced interval meters are proven at scale and become the standard meter employed by the industry, “r” for Victoria could be set at zero. Any existing accumulation meters used on embedded generation would then need to be subject to the grandfathering arrangements (1st or 2nd tier) and any new metering would not be able to be an accumulation meter. Given that it is too early to adopt “r” as zero and there is a lack of clarity of what consumption “r” refers too we consider that it should not be progressed at this stage.

The following sub clauses are confusing and we consider that they are not required and should be deleted.

Sub clause (3) and (4) in relation to transformers require a type 3 metering installation or an appropriate metering installation for the connection point. The drafting is confusing and the reason why the transformer may be part of the metering installation could be as a result of the customers load and not by the generation itself. As drafted, does this allow a type 5 metering installation to be used? Any metering installation needs to comply with the requirements of Schedule 7.2, this specific requirement does not need re-stating as a special non market generator requirement.

Sub clause (5) in relation to metering also needs to meet the requirements of schedule 7.2. Again we suggest that this could be deleted.

Why is clause (i) limited to paragraphs (a)-(g)? Why isn't clause (h) included for completeness?

9 Rule 8 – process for the conduct of a participant requested test

The intent of the rule changes in clause 7.6.1 was to standardise the process for a participant to request the responsible person or NEMMCo to undertake a meter test with an obligation that the party receiving the request must act.

The businesses support the intent of the rule change, however we have the following comments to make regarding the drafting:

The requirements of the responsible person to advise the parties of the location and time of the tests and the method of testing to be undertaken are outlined in sub clause (e). These obligations are equally applicable whether it is NEMMCo or the responsible person

undertaking the test. We suggest the following amendments to correct the reference and to ensure the same obligation applies whether it is NEMMCO or the responsible person undertaking the test:

- (e) The *responsible person* or NEMMCO must not refuse a request received under paragraph (b) or (c) and must no later than 5 *business days* prior to the testing, advise:
- (1) the party making the request; and
 - (2) where the Local Network Service Provider is the responsible person, the financially responsible Market Participant,
- of:
- (3) the location and time of the tests; and
 - (4) the method of testing to be undertaken.

Most of the references in clause 7.6.1 refer to the metering installation. In sub clause (f) the terms metering installation and installation have been used, we suggest that the term metering installation be used consistently throughout the drafting. There are two instances of installation we suggest be changed to the consistent terminology metering installation in sub clause (f).

Sub clause (g) has been drafted such that all tests must be made available by NEMMCO or the responsible person to the responsible person/NEMMCo (provided to the party who did not undertake the test) and to the registered participants. Where the registered participant has specifically requested the test and the test has failed then this is a reasonable obligation. However given that clause 7.6.1 also refers to normal meter family testing on a routine basis, this places an onerous obligation on the responsible person and ultimately the meter provider to provide this data to a range of parties even where the test has passed. The use of the terminology “made available” is unclear and open to interpretation. We suggest that the obligation is more appropriately referenced to sub clause (e) and applied when there is a deviation in the results. The drafting proposed by NEMMCO provided more clarity in this area as the intent of the “make available” was clarified within the single clause ie that the test results needed to be made available where there was a deviation or on request. The original drafting proposed provides more clarity and is less onerous than the current AEMC proposal. We suggest that AEMC re-instate the original drafting proposed by NEMMCo.

Sub clause (i) should be deleted as there are already sufficient processes in place to govern and review the testing arrangements under metering provider (MP) accreditation audits and approval of meter asset management plans. The clause as drafted establishes NEMMCO as the policing authority on the accuracy of every single metering installation in the NEM. The standards for family meter testing relate to sample testing of meters within the family on

a timeframe established from family age and last test results. As drafted NEMMCO would be unable to comply with this clause.

10 Rule 9 – record keeping

The intent of the rule changes in clause 7.9.1 (f) – (i) is to provide clear requirements on the responsible person for keeping records for meter types 5-7 in the metering installation database and on NEMMCO for meter types 1-4 to record metering data in the metering database. These requirements are promulgated in meter provider diagrams and obligations in the rules and metrology procedure and are best left as is at this stage. If a restructure of Chapter 7 according to the JJR recommendations were undertaken, this could be the appropriate time to remove these earlier constructs. However, NEMMCO has not proposed this to the AEMC. In the AEMC redrafting exercise obligations have been placed inappropriately and the clause moved around within Chapter 7. Sub clause (f) and (g) place obligations on the responsible person and the sub clause (i) seeks to place these obligations on the correct party i.e. the responsible person for meter types 5-7 and NEMMCO for meter types 1-4. This is poor drafting using a sub clause to overwrite obligations in another subclause which could have been drafted correctly.

We consider that these clauses could be better placed within Chapter 7 rather than in a section entitled metering database which is a database held by NEMMCO or their agents (MDA's). Our preferred position is to adopt the initial drafting provided to the AEMC as this provided more clarity than the drafting in the Draft Determination. Given the AEMC chose not to adopt the initial drafting proposed by NEMMCO, we suggest the following drafting amendments would provide clearer obligations on the correct parties:

- (f) The *responsible person* or NEMMCO must ensure that *metering data* in respect of a *metering installation* is retained for a period of 7 years in the form in which it was collected.
- (g) The *responsible person* or NEMMCO must ensure that a separate record of each adjustment or substitution to *metering data* in respect of a *metering installation* is retained for a period of 7 years.
- (h) For all types of *metering installations*, the metering installation database (for meter types 5-7) or the metering database (for meter types 1-4) must contain *metering data* that is retained:
 - (1) online for 13 months in an accessible format; and
 - (2) following the retention under subparagraph (1), in archive in a form that is accessible independently of the format in which the data is stored for a period of 5 years and 11 months.

-
- (i) ~~The person who is required under this Chapter 7 to collect the *metering data* from the *metering installation* for the purpose of *settlements* must ensure the data is stored separately in the form that it was collected for the period of time specified in paragraphs (g) and (h).~~

11 Rule 10 – rights of access to metering data

The rule proposal is intended to allow listed persons to have access to metering data, NMI standing data or data from the metering register for a metering installation. In the original proposal, sub clause (1) provided access to the data as provided for in MSATS, B2B procedures and the meter churn guidelines. This clarification of the data being provided in accordance to these procedures has been removed by the AEMC. We suggest that this drafting be re-instated as it clarifies that a registered participant may access the data where they are the listed financially responsible market participant (FRMP) in accordance with MSATS. In addition the B2B procedures provide some guidance on data that is able to be accessed by non FRMP's.

The Commission therefore seeks the views of interested stakeholders as to whether jurisdictional regulators should be provided with metering data. The Commission also seeks reasons as to how interested stakeholders have arrived at their answer to the previous question.

The jurisdictional regulators are no longer the Metrology Co-ordinators and once these rule changes are in place the first tier metering arrangements will be managed under the rules and the national metrology procedure. Shortly after this rule change takes effect the jurisdictional metrology procedures and the majority of the 1st tier metering arrangements should fall away. For Victoria, the AER is intended to be the economic regulator for the next price review and is already the enforcer of the rules. We are unclear why the jurisdictional regulator would continue to have a need for such information. Consumer protection will continue to be managed nationally, however customer complaints regarding meter data are managed by the Ombudsman scheme and not by the jurisdictional regulator.

12 Rule 11 – on site meter testing

The intent of clause 7.8.4 was to clarify the arrangements for on site meter testing and ensure that the end –use customer is not required to pay for material energy flows recorded by the meter that occur as a result of a meter test, and specify when an alteration to stored energy data within a meter should occur.

For meter types 1-4, the responsible person is unable to ensure that the MDA or NEMMCo's metering database is updated in accordance with the requirement in 7.8.4 (b) (2) as the responsible person may have no contractual arrangement with the MDA and does

not police/enforce these matters on NEMMCO or the MDA. To ensure that obligations are clear and placed on the correct parties, we suggest the following drafting amendments:

7.8.4 Changes to metering data

- (a) The original stored *energy data* in a *meter* must not be altered except when the *meter* is reset to zero as part of a repair or reprogramming.
- (b) If an on-site test of a *metering installation* requires the injection of current, the *responsible person* or NEMMCO must ensure that:
 - (1) the ~~energy~~ *metering data* stored in the *metering installation* is inspected; and
 - (2) if necessary following the inspection under subparagraph (1), that the metering installation database or *metering database* is altered in accordance with the validation, substitution and estimation procedures in the *metrology procedure*,

to ensure that the *metering data* in the metering installation database or *metering database* is not materially different from the energy volumes flowing through the *connection point* during the period of the test.
- (c) If a test referred to in paragraph (b) is based on actual *connection point* loads, no adjustment is required.

13 Rule 12 – Metering databases

In the Draft determination the AEMC state the following:

“The Commission is of the view that bringing similar requirements for types 1-4 and types 5-7 metering installations into the same clause assists industry participants to understand the differences and similarities between the requirements for different metering types. The Commission considers that this would assist those industry participants in their management of the compliance matters. The Commission is also of the view that using the amended definitions clarifies the boundaries used to describe data usage within the industry, including the historical data required for storage.”

In view of this position the AEMC has made amendments in the following areas;

- Amendments have been made to the definitions to substituted energy data, estimated energy data, energy data and metering data to ensure that the definitions are consistent with those contained in the Metrology Procedure. These amendments are consistent with the policy intent of NEMMCO’s proposal; and
- Amendments have been made so that all metering installations must have their data stored in the metering database as opposed to the metering installation database.

The businesses are supportive of similar requirements (where appropriate) for meter types 1-4 and meter types 5-7 being closely located with the appropriate obligations placed on the parties in accordance with roles in the NEM and reflected in the rules, metrology and MSATS. The businesses are not supportive of merging clauses where the obligations on the parties are made less clear, are inconsistent with industry practice and contractual arrangements or where the long standing definitions are re-interpreted. In accordance with our response above to rule change number 9, we suggest that the term metering database not be substituted for the term metering installation database as these databases are managed by different roles in the NEM. Any moves to merge such terminology is likely to lead to confusion as it leads to the roles and obligations being mismatched.

The AEMC suggests that all metering installations have their data stored in the metering database. If the intent is to place an obligation on NEMMCO to store all 1st and 2nd tier metering data in their metering database, this may not meet the NEM objective given that the MDP under the metrology procedure has an obligation to hold this data. Even if the metrology obligation were removed, normal business practice for tax/financial purposes would require the MDP's to hold this data.

The AEMC note that there are one or more unique databases which can be classified as a metering database. Yet the metering installation database and the metering database have different definitions and are managed by different NEM roles. The treatment of these two databases under the one terminology is not consistent with the Rules definition for metering database - a database of metering and settlement ready data maintained and administered by NEMMCO in accordance with Clause 7.9.

NEMMCO states that energy data refers to data within a meter and metering data refers to data external to the meter. The AEMC appear to have supported NEMMCO's view on the metering and energy data definitions. However, amending the metering data definition to include versions of energy data seems to confuse the matter and to be inconsistent with NEMMCO's statement. On the basis of what we understand that NEMMCO and the AEMC have agreed, we suggest the following amendments to assist with the clarity of the definitions and to be consistent (with most of) the metrology procedure part B, rules clause 7.9.4 etc:

substituted energy metering data

Metering data substituted in accordance with the *metrology procedure*.

estimated energy metering data

Metering data estimated in accordance with the *metrology procedure*.

energy data

Interval energy data or accumulated energy data.

metering data

The data obtained from a ~~metering installation~~, the processed data, *estimated energy metering* data or substituted *energy metering* data.

In light of the changes to the energy data and metering data definitions, all uses of these definitions will need to be reviewed to ensure they use the correct terminology. There are 66 instances of energy data which will need to be reviewed by the AEMC in chapters 7-11 alone. There will also need to be amendments required to energy data in other rules chapters eg clause 6.8.1 (e) second sub clause (2). The businesses note that changing the definitions in the rules is a substantial change which has a significant impact across the rules and a number of underlying instruments and hence should not be undertaken in a half hearted manner. Given the AEMC's draft determination to proceed with the amendment to the energy data definition, we recommend that all uses of the definitions across the rules be reviewed and amended as needed.

Aligned with the above change to energy data, we recommend that the energy data services definition in the rules be amended to a metering data service definition that involves the collation of energy data from the meter, the processing of metering data, the storage of metering data in the metering installation database and the provision of access to this data. Adopting this recommendation will also require a change from energy data services to metering data services in rules clause 7.14.3 (a) (1) (iii).

Given the substantive nature of this change and the impact on underlying instruments, a more appropriate time for such a significant change could be the structural review of Chapter 7 or the introduction of other changes to facilitate a smart meter roll out. It is very important that changes such as this are done appropriately in a way that facilitates a clear understanding of chapter 7 and takes account of the developments coming, the current proposal may not have been sufficiently considered to ensure that it provides the best long term outcome.

14 Rule 13 – Metering installation malfunctions

Clause 7.11.2 refers to metering malfunctions and seeks to clarify the process and the response time obligations. As drafted clause 7.11.2 (a) (1) and (2) require the metering installation to be repaired after the malfunction was detected or ought reasonably to have been detected. The drafting "or ought reasonably to have been detected" is confusing. In practical terms what does this really mean - a malfunction that a meter provider or responsible person is unaware of is not able to be programmed for repair. We suggest that the two instances of "or ought reasonably to have been detected" are deleted.

15 Rule 14 – Security seals

The rule change provides a framework for the application of security seals to metering installations, replacement of damaged seals, and cost recovery for the replacement of seals in clause 7.8.1.

The businesses have no further comments.

16 Rule 15 – type 7 metering installations

The rule changes proposed are in Schedule 7.2.3 item 5. In clause (a) there is one instance of energy data which needs to be altered to metering data in line with the AEMC draft determination under rule proposal number 11.

17 Rule 16 – remove the duplicate requirements for data validation, substitution and estimation

The intent of the rule change is to allow the validation, substitution and estimation procedures to be incorporated into a single document - the national metrology procedure. The businesses support the rule changes proposed in clause 7.9.4. However, this support is limited to supporting the procedures and their use for type 4 metering for a small number of large consumers. The businesses are not supportive of the manual elements of the type 4 processes if applied to AMI for mass market customers.

18 Rule 17 – Address NEM efficiencies – QLD minimalist transition approach to FRC in the Rules

The businesses have no comments on these rule changes.

19 Rule 18 – use of standard terms and conditions

The intended rule change in clause 7.2.3 was to recognise the standard terms and conditions in responsible person arrangements for types 5-7 metering installations. The AEMC has accepted the substance of the original proposal with some minor amendments.

The AEMC drafting in clause 7.2.3 (a) (1) and (2) now refers to “a type 1, 2, 3 or 4 meter installation” in clause (1) and in clause (2) refers to “a type 5, 6 or 7 metering installations”. The drafting could be improved by adopting a consistent approach i.e. “any type X, Y or Z metering installations”.

20 Rule 19 – Address NEM efficiencies – time setting

The intended rule change in clause 7.12 was to provide clarity on the responsible party for the time setting requirements.

The AEMC has also renumbered several sub clauses within clause 7.12. If clause 7.12 (b) remains then the reference in clause 7.8.2 (f) should be corrected from the original numbering of clause 7.12(aa) to clause 7.12 (b).

Clauses (d) and (e) place obligations on NEMMCO and the responsible person to maintain the time accuracy for meter types 1-4 and meter types 5-7 respectively. However, clause (d) has been altered to provide an obligation on NEMMCO to maintain the metering installation database clock for meter types 1-4. If there is a metering installation database clock for meter types 1-4 then this obligation should be on the responsible person is covered by the wording in clause (a). The original proposal for clause (d) was to provide an obligation on NEMMCO to maintain the metering database time accuracy for meter types 1-4. The term metering installation database in clause (d) should be changed back to metering database as was originally intended so that it correctly reflects the obligations.

21 Rule 20 – Address NEM efficiencies – design standards

The AEMC has taken the view in the Draft determination that it is more efficient and accurate for Australian standards and international standards to be identified in the metrology procedure by NEMMCO. The AEMC has made corresponding drafting amendments to S 7.2.3 item1, S 7.2.5 (a) and S 7.2.6.1 (f) and (g).

The businesses have no further comments.

22 Rule 21 – Address NEM efficiencies – recognition of ILAC

The businesses support the recognition of ILAC in S 7.4.3 (b) (5).

23 Rule 22 – Address NEM efficiencies – timeframes for the inspection and testing of various metering installation types

The intended rule change was to allow for flexibility for the development and innovation in the area of inspection and testing of metering installations rather than limit the inspection and testing to only the timeframes documented in the rules. The proposal to recognise alternative asset management strategies would not allow the reduction in overall standard of performance and would need to be approved by NEMMCO. This approach is expected to allow more efficient business processes to develop and to promote more efficient investment.

Local retailers remain concerned that any alternative asset management plan may be flawed or incomplete and may result in financial risks to the local retailers.

The Commission seeks comments from interested stakeholders on whether such principles (to guide NEMMCO’s decision making in approving an alternate asset management plan) should be identified in the rules.

NEMMCO currently have a document to address what needs to be in an asset management plan in order for it to gain NEMMCo’s approval. This document has been compiled with some industry input. The businesses do not consider that further guidelines are required in the rules. NEMMCO could amend/consult on the current document if required.

24 Rule 23 – Address NEM efficiencies – review of overall accuracy tables

The proposed rule changes amends tables S 7.2.3.2 to S 7.2.3.5 and adds a new table S 7.2.3.6. The businesses have no further comments to make in relation to this rule change.

25 Rule 24 – Address NEM efficiencies – single table of requirements in schedule 7.3

The rule change amalgamates the testing uncertainty requirements into one table in S7.2.3.1. The businesses have no further comments to make in relation to this rule change.

26 Rule 25 – Address audit issues – NEMMCO audit of meter test results

The references to the rule amendment provided in the draft determination appear to be mismatched with the draft determination text. We assume the intent is the drafting in relation to 7.6.1 (i) and not 7.6.1 (c).

In our submission in response to rule change proposal 8, we have addressed all our recommendations in relation 7.6.1. We recommend that clause 7.6.1 (i) be deleted as there are already sufficient processes in place to govern metering accuracy and the accuracy of a metering installation is ultimately the responsible persons responsibility and not NEMMCo’s.

27 Rule 26 – Address editorial issues – editorial changes within chapter 7

We note that the industry raised issues in the first round of consultation regarding the drafting of “subject to... Clause 7.2.4” in clause 7.2.2 (a). Clause 7.2.4 should not alter the primary responsibilities in clause 7.2.2. In view of the responses received, we suggest that the editorial change to clause 7.2.3 (a) not proceed and the drafting in clause 7.2.2. (a) also be removed in line with industry comments. The current drafting of clause 7.2.4 already requires arrangement under clause 7.2.2 and 7.2.3 to be entered into.

The businesses have no further comments to make in relation to any of the other editorial rule changes.