



EnergyAustralia

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Dear Mr Anderson

Classification of Metering Services in NSW

EnergyAustralia welcomes the opportunity to provide comments on the Australian Energy Regulator's (AER) Classification of Metering Services Discussion Paper (Discussion Paper). EnergyAustralia supports the AER's approach to unbundling metering charges associated with metering services for as it supports regulatory framework within NSW as well as a market based approach to smart metering.

EnergyAustralia agrees with AER's revised position¹ for the classification of types 5 and 6 meter provision, installation, maintenance and reading however, disagree that the meter data services should remain standard control services. Consistent with the Australian Energy Markets Commission's (AEMC) recommendation² that meter installation, maintenance and data costs should be unbundled to ensure that consumers have a transparent view of the costs to make informed decisions and not continue to pay for existing metering and services once removed.

Our understanding of the operation of the National Electricity Rules (NER), Chapter 7, is when a type 1 to 4 meter is installed, the Meter Data Provider (MDP), which is appointed by the Responsible Person (RP), fulfils the role of collating energy data and the Local Network Service Provider (LNSP) collated from the MDP. This means that the inclusion of meter data services can be distinguished and attributed to the appropriate party.

Consumers, generally, do not engage with the various types of metering technology used or the functions associated with the use of a particular metering type. However, as newer appliance technology evolves and demand side participation becomes more wide-spread, the metering type becomes significantly more important to deliver these functions. The consequence of new participants, such as aggregators and or technology and demand management providers is that consumers will be sold products that require new metering technology.

¹ Classification of Metering Services in NSW – Section 3.3 The AER's revised position – Page 8

² Australia Energy Markets Commission – Power of Choice Review – Section 4.3.1 – Proposal to promote competition in metering and data services – Page 88

With the evolution of appliance technology and considering the principles of the National Electricity Objective³ (NEO), EnergyAustralia believes that the most efficient outcome would be to unbundle the metering charges, and associated services. This would allow the consumer to install a meter that suits their individual supply needs while only paying for the metering service being provided by the party providing the services.

EnergyAustralia supports the move to unbundle metering service charges from the Distribution Used of System (DUOS) to encourage competition in the provision of metering services however, disagree with the AER's view⁴ that, that meter data services are unavoidable therefore should remain standard control services. In the Discussion Paper the AER's justification for classifying meter data services as standard control services was because there was not more appropriate classification.

Consumers who elect to have different services and or participate in demand response programs that require new metering technology and data services will potentially pay for the same services via their metering provider and the LNSP, unless the LNSP is the provider of those services.

With a focus on network costs it would be contrary to the NEO if consumer were charged twice for the same service. Consumers are seeking to avoid costs, reduce their usage and ultimately reduce what they spend on energy. However, if costs associated with meter data services are charged by LNSP's regardless of whether they are provided by the LNSP or another party, consumers will be restricted in their ability to maximise potential savings.

EnergyAustralia also disagrees with the AER's view that the LNSP's could not appropriately assign meter data services to individual customers⁵ based on the number of meters. The attribute that is most relevant to determining whether meter data services are provided is the LNSP's participant role for each customer within the market, therefore would be easily determined based on the number of customers those services are being provided for.

In our view, the only difference is whether the LNSP provides the service and whether charges associated with that service are included in the assigned network tariff. Where meter data services are not provided the LNSP should assign a tariff that identifies the services each customer receives.

If you would like to contact me about this submission, please call me on (03) 8628 1484.

Yours sincerely



Ross Evans
Regulatory Manager

³ National Electricity (South Australia) Act 1996 – Schedule - Part 1, Section 7

⁴ Classification of Metering Services in NSW – Section 3.3.3 Types 5 and 6 energy data services – standard control services – Page 9

⁵ Classification of Metering Services in NSW – Section 3.3.3 Types 5 and 6 energy data services – standard control services – Page 9