

Contact Officer: Kurt Stevens  
Contact Phone: (02) 6243 1329  
Our Ref: 52254

20 May 2015

Mr Michael Costello  
Chief Executive Officer  
ActewAGL  
GPO Box 366  
CANBERRA ACT 2601

Dear Mr Costello

### **Correcting errors in ActewAGL distribution determination 2015–16 to 2018–19**

Thank you for ActewAGL's email dated 5 May 2015 and for discussions on 13 May 2015 about an error identified in the ActewAGL distribution determination 2015–16 to 2018–19 (the distribution determination). The error relates to an inaccurate description of metering.

Following those discussions, in which AER and ActewAGL staff agreed the errors should be corrected as soon as practicable, we sent a letter on 13 May 2015 proposing that we revoke and substitute the distribution determination to achieve this outcome.

In response to that letter, there were further discussions between AER and ActewAGL staff during which ActewAGL and its legal advisors raised concerns about the AER's ability under the National Electricity Rules to revoke and substitute the distribution determination and suggested we seek further legal advice. ActewAGL also sent a letter dated 18 May 2015 suggesting how ActewAGL considers we should correct the error.

We have sought further legal advice. As a result of this advice, we have decided not to revoke and substitute the distribution determination at this time.

We have considered ActewAGL's proposed corrections. We have detailed the error and proposed corrections in the Attachment to this letter. Our proposed corrections are similar to those you proposed.

We still intend to correct the error mentioned above as soon as practicable, in accordance with clause 6.13 of the National Electricity Rules. We anticipate this would occur no earlier than the latter of:

- A. the commencement of the next regulatory control period (1 July 2015); and
- B. once any appeal in relation to the distribution determination is resolved.

As a result of our decision, the period for making an application for review of our decision does not change.

If you have any queries on this matter please contact Kurt Stevens on (02) 6243 1329.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paula Conboy', written in a cursive style.

Paula Conboy  
AER Chair

## Attachment

### **Inaccurate description of metering in Appendix A to the Overview**

Appendix A of the Overview to our final decision for the distribution determination includes a table of constituent decisions, on which the distribution determination is predicated. The table includes a misdescription. It reads as if the type 5 and 6 unrecovered metering costs are defined as standard control services. However, the AER's reasons in Attachment 13 and Attachment 16 of the final decision make it clear that standard control services do not include the type 5 and 6 unrecovered metering cost. These are classified as part of alternative control services (as part of the type 5 and 6 metering provision).

We propose to correct this error to ensure that the type 5 and 6 unrecovered metering cost is classified as part of alternative control services, in line with our decision. We propose the following correction:

Overview, Appendix A, page 59, line 7:

- Delete ", type 5 and 6 unrecovered meter cost."

Overview, Appendix A, page 59, lines 8 and 9:

- Delete "Alternative control services include metering types 5 and 6 provision, installation, maintenance, reading, data services and transfer administration services, type 7 metering services and ancillary network services."
- Insert " Alternative control services include:
  - types 5 and 6 meter provision, maintenance, reading, data services, transfer administration services (including type 5 and 6 unrecovered meter cost)
  - types 7 metering services
  - ancillary network services."