



1 February 2013

Mr Warwick Anderson
General Manager - Network Regulation Branch
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

By email: NSWACTelectricity@aer.gov.au

Dear Mr Anderson

RE: Classification of metering services in NSW

Origin welcomes the opportunity to provide input to the framework and approach process for NSW electricity distribution. As outlined in our initial submission, Origin supports the unbundling of metering charges to promote greater competition in the provision of metering services, greater transparency over the costs of providing metering services, and to avoid customers paying twice for meters and related services.

Origin highlights the precedents for this approach that exist in Victoria and South Australia. In Victoria, the Essential Services Commission unbundled metering charges in 2005 and these costs remained unbundled under the AMI roll out. In 2009 the AER determined meter charges would be unbundled in South Australia.

Since metering charges were unbundled in Victoria and South Australia there have been important developments in demand-side participation and related policy. Through the launch of its Origin Smart portal in Victoria in August 2012, Origin became the first retailer in Australia to allow customers to monitor their energy use daily. In November, the Australian Government announced it would develop a framework to promote the uptake of smart meters by small customers across the National Electricity Market. In Origin's view the unbundling of metering charges for meter types 5 and 6 supports the effective uptake of smart meters and promotes greater innovation in energy services.

Given the benefits associated with the unbundling of metering services, it would be of concern if the classification of energy data services allowed leeway to fund the provision of metering by categorising metering costs as energy data services. This could occur if energy data services continue to be classified as standard control and so remained bundled, and the definition and classification of energy data services do not effectively exclude the cost of providing meters. Under

these conditions, DNPSs might see to apportion some of the cost of metering across all customers as part of energy data services. Evidently, this would undo the benefits of unbundling metering charges. A complete unbundling would reduce the risk of this type of cross-subsidy.

Should you have any questions in relation to this submission please contact me on 9652 5555.

Yours sincerely

[SIGNED]

Steven Macmillan
Regulatory Manager