



**UNITED ENERGY
Distribution**

Registered Office

- Level 3, 501 Blackburn Rd
- PO Box 449
- Mt Waverley Vic 3149 Australia
- Telephone (03) 8540 7800
- Facsimile (03) 8540 7899

6th August 2010

Our Reference: UE.RE.04

Mr Chris Pattas
Australian Energy Regulator
Level 35
The Tower
360 Elizabeth Street
Melbourne Central VIC 3000

BY EMAIL: chris.pattas@aer.gov.au

Dear Chris

Pricing application for new charges

This submission is an application for the provision of the following services:

- Remote special meter reading
- Remote re-energisation
- Remote de-energisation
- Meter reconfiguration
- Type 7 metering (page 35 of Draft Decision)

The first four of these services are now available as part of the Advanced Metering Infrastructure (AMI) meter roll-out. The provision of these services will provide consumer benefits to those consumers who have an AMI meter. The type 7 metering charge is as a result of the Australian Energy Regulator's (AER) draft decision.

A detailed description of each service is provided below

1. Remote special meter reading

This charge applies when a retailer/customer requests a special reading of the meter in addition to the normal daily provided reading. This charge only applies where the meter is capable of being remotely read.

The charges apply to each metering installation (i.e. on a per National Meter Identifier (NMI) basis). In a multiple occupancy development, where there are a number of metering installations, a separate charge applies to each installation on a per NMI basis.

2. Remote re-energisation

Is where the metering installation has the capability to perform a remote re-energisation and subject to safety considerations, the Distribution Network Service Provider (DNSP) must use best endeavours to perform the re-energisation remotely.

3. Remote de-energisation

Is where a relationship to any Boundary Point or Systems Connection Point (or the Plant or Apparatus connected to any System at such a point) the movement of any isolator, breaker or switch or the removal of any fuse whereby no electricity can flow at such point to and from a System; and "de-energised" shall be construed accordingly.

A Metering System (MS) is De-energised when the electrical circuit to the premise is open on the system or distribution side of the meter. It is energised when the electrical circuit is closed on the system or distribution side of the meter.

Where the metering installation has the capability to perform a remote de-energisation and subject to safety considerations, the DNSP must use best endeavours to perform the de-energisation remotely, except where a Financially Responsible Market Participant (FRMP) requests an alternate de-energisation method.

4. Meter reconfiguration

A meter reconfiguration is a change to the software in the meter that enables the meter to read additional channels of metering data. For example when installing a solar installation and in order to take advantage of the benefit of two way flows and additional channel is required. This means the meter will require reconfiguration.

5. Type 7 metering

This service relates to unmetered supplies and is currently regulated as an excluded service. In accordance with the AER's draft decision published June 2010 this application is made under the CROIC. United Energy Distribution (UED) proposes to maintain the current charge of \$1,223 per installation per annum.

Terms & Conditions

The terms and conditions of the services are provided on the same basis as already approved for Excluded Services. These are re-produced below;

The performance of the work is subject to UED's capacity and agreement to undertake the work. Where requests exceed the capacity of our resources it may be necessary to negotiate a delay in performing the works, or arrange for an alternative service provider. After-hours rates will apply for work performed outside of normal UED business hours, which includes weekends and public holidays. Charges for work performed after hours include award overtime and call back provisions. When a charge is recorded as recoverable work (RW), RW rates and award penalty rates apply. Major works on large commercial or industrial installations, blocks or flats and Current Transformer (CT) operated metering are charged at RW rates. Customers who wish to deal directly with UED or its approved service providers rather than through a retailer and who do not have an established account, are required to forward payment, or agreement for payment in advance of any works being performed along with the associated documentation including any technical prerequisites, for example Electrical Work Request (EWR) or Field

Works Order (FWO) and a Certificate of Electrical Safety (CES) that the type of service requested may require.

Costs of service provision: a distributor's charge and terms and conditions for an excluded service must be based on the costs incurred by the distributor in providing the excluded service:

These new services are currently not provided therefore UED is unable to provide actual audited costs relating to the provision of these services. UED has estimated the costs of the services and based the fees on its Cost Allocation Methodology submitted as part of the 2011 - 2015 Pricing Proposal. The fees are based on an estimate of UED's actual costs. Type 7 charges are currently provided and are included in the annual regulatory accounting statements (noting that no change is proposed for pricing).

Cost allocation: in respect of the costs incurred by a distributor in providing an excluded service:

This application has been prepared on the basis of UED's Cost Allocation Methodology submitted as part of its 2011 -2015 pricing proposal. The fees do not include any costs in respect of which UED is remunerated under UED's distribution tariffs.

Cost differentials: a distributor's charge and terms and conditions for an excluded service must be the same for all customers unless there is material difference in the costs of providing the excluded service to different customers or classes of customers. Different charges and terms and conditions for different customers or classes of customers must only be attributable to differences in:

The costs of providing these services is the same for all customer classes.

Simplicity: charges and terms and conditions for excluded services should be simple and easily comprehensible.

UED believes the fee structure is simple, transparent and easily comprehensible.

Please contact me on 8540 7818 if you have any queries.

Yours sincerely



Andrew Schille

Regulatory Manager

BOTTOM UP CALCULATION

Special Reads

Assumptions:	
100% special reads to be performed 'remotely' (via integration with Itron IEE)	
Exception handling: 10% require 20 mins manual intervention	
No fieldwork to ever be performed for special reads. Faulty meters will be managed through asset replacement processes.	
Volumes based on current service order volumes - with the introduction of daily interval meter data publication, these service orders are expected to reduce by 90%.	
Calculations:	
Volume - Total Special Read (p.a.):	8,500
Volume - Exceptions (p.a.):	850
FTEs - Exception Handling (p.a.):	0.2
FTE Cost: (see Salary Assumptions tab)	\$17,042
Cost per service order:	\$2.00

Re-Energisations

Assumptions:	
100% manual review of remote service orders in SAP ISU to check whether the correct meter specified by the Retailer, method of de-energisation, meter capabilities, and whether site has been active within the last 12 months.	
Review time: 7 mins per service order	
Exception handling: 10% require 7 mins manual intervention	
.1% of exceptions dealt with manually via field visit	
Calculations:	
Volume - Total Re-energisations (p.a.):	62,000
FTEs - Review (p.a.):	4.1
FTE Cost: (see Salary Assumptions tab)	\$435,064
Volume - Exceptions (p.a.):	6,200
FTEs - Exception Handling (p.a.):	0.41
FTE Cost: (see Salary Assumptions tab)	\$43,661
Cost per service order:	\$7.72

De-Energisations

Assumptions:	
100% manual review of remote service orders in SAP ISU to check life support, whether the correct meter specified by the Retailer, meter capabilities, whether site has been active within the last 12 months.	
Review time: 7 mins per service order	
Exception handling: 10% require 7 mins manual intervention	
.1% of exceptions dealt with manually via field visit	
Calculations:	
Volume - Total De-energisations (p.a.):	62,000
FTEs - Review (p.a.):	4.1
FTE Cost: (see Salary Assumptions tab)	\$435,064
Volume - Exceptions (p.a.):	6,200
FTEs - Exception Handling (p.a.):	0.41
FTE Cost: (see Salary Assumptions tab)	\$43,661
Cost per service order:	\$7.72

Meter Reconfiguration

Assumptions:	
100% manual review by New Connections Officer to determine which meter program ID to be applied.	
Review time: 20 mins per service order (4 per hour)	
100% execution by AMI Comms Analyst through remote instruction via SSN UIQ	
Execution time: 15 mins per service order	
Exception handling: 20% require 20 mins manual intervention	
Calculations:	
Volume - Total Remote Meter Reconfigurations (p.a.):	232
FTEs - Review (p.a.):	0.04
FTE Cost: (see Salary Assumptions tab)	\$4,651
FTEs - Execution (p.a.):	0.03
FTE Cost: (see Salary Assumptions tab)	\$3,489
Volume - Exceptions (p.a.):	46
FTEs - Exception Handling (p.a.):	0.009
FTE Cost: (see Salary Assumptions tab)	\$930
Cost per service order:	\$39.10

