Attachment H.8

SAPN_Competition in metering rule change

03 July, 2015

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Introduction

In our original regulatory proposal (**Original Proposal**) for the 2015-20 Regulatory Control Period (**RCP**) SA Power Networks forecast new capital and operating expenditure associated with the impact on the business of the transition to full competition in metering expected to occur during the period as a result of proposed changes to the National Electricity Rules (**NER**). In its Preliminary Determination, the AER did not approve this expenditure.

This document sets out our response to this aspect of the AER's Preliminary Determination, and provides further detail in support of our Revised Proposal in relation to the impact of full competition in metering.

Note that **this document is concerned only with our forecast of additional expenditure required for the continued provision of Standard Control Services (SCS)** – that is, the financial impact of full competition in metering on the network part of our business. The AER gave considerable weight to the expected outcomes of future metering competition in forming its Preliminary Determination on our Alternative Control Services (**ACS**) proposal – in effect, the metering part of our business – but we do not address that aspect of the Preliminary Determination in this document.

Regulatory change

Under the NER today, SA Power Networks is the monopoly provider of the basic manually-read accumulation meters (Type 6 meters) used by approximately 750,000 residential and small business customers in SA, and the associated meter reading services. Under a proposed Rule change arising from the *Power of Choice* review[1], metering services are to become fully contestable, with the retailer becoming responsible for appointing an accredited provider to provide metering services at market rates and passing the cost on to the consumer.

Key elements of the proposed changes are:

- The role and responsibilities of the existing 'Responsible Person' (currently SA Power Networks for the majority of customers in South Australia) are to be transferred to a new type of Registered Participant called a Metering Coordinator (**MC**). The intent is that there will be a number of MCs that compete to provide metering services to retailers.
- Retailers are to become solely responsible for appointing the MC for their customers.
- All meters installed after the commencement of the new Rules must be 'smart meters' conforming to a new national minimum specification that includes interval data, remote reading and the capability to disconnect and reconnect supply remotely.
- The new Rules are to come into effect on 1st July 2017.

SA Power Networks is required by regulation to conform to Australian Energy Market Operator's (**AEMO's**) market procedures and to use AEMO's secure electronic transaction system, the B2B hub, to exchange market data and service requests with AEMO and other

[1] AEMC Draft Rule Determination, Expanding competition in metering and related services, March 2015

market participants, including third-party metering providers[2]. The Rule change requires AEMO to update all existing procedures to accommodate the new class of market participant, the competitive MC, and to introduce new procedures and transactions to govern the new services in the new national minimum services specification for smart meters[3].

AEMO is also required to upgrade the existing B2B hub to support the new market arrangements. The upgraded hub will support near-real-time transactions required to enable services such as remote disconnect and reconnect, as well as a significant increase in transaction volumes and a greater number of market participants. AEMO refers to the new procedures as the 'Shared Market Protocol' (**SMP**), and the upgraded B2B hub as the 'SMP Platform'[4]. The draft Rule requires AEMO to work with industry to develop the updated procedures and design and implement the technical solution for the new SMP Platform by mid 2016[5].

The draft Rule also requires the AER to develop, consult on and publish a distribution ring-fencing guideline by 1 July 2016.

This Rule change proposes a very significant change in our regulatory environment. It will have an impact across a number of business functions that we rely on for the provision of SCS, including billing, customer connection, and our interfaces to the AEMO.

At the time of our Original Proposal the Australian Energy Market Commission (**AEMC**) was engaging in consultation on the proposed Rule change. The AEMC has since published its draft Rule[6] on 26 March 2015, and the final Rule is due to be published in July 2015.

Our regulatory proposal

In our Original Proposal for the 2015-20 RCP we proposed specific upgrades to Information Technology (**IT**) systems and new business processes that we considered would be reasonably required to manage the transition to full competition in metering.

We proposed:

- Upgrades to the capacity of IT systems that store and process customer energy data for billing and other functions associated with the provision of SCS. Our current systems were designed around Type 6 metering, and do not have the capacity to store the large volumes of half-hourly interval data that we will receive when customers transition from accumulation meters to smart meters under the new Rules[7].
- IT costs associated with changes to AEMO market procedures and the replacement of existing interfaces to the AEMO B2B hub with interfaces to the new SMP Platform

[2] NER, Clause 7.2A and related provisions

[3] AEMC Draft Rule Determination, Expanding competition in metering and related services, March 2015, draft Rule 7.8.3(c) and related provisions

[4] AEMO, Shared Market Protocol – Advice to COAG Energy Council, 11 March 2015

[5] AEMC Draft Rule Determination, Expanding competition in metering and related services, March 2015, draft Rule 7.16.1 and related provisions

[6] AEMC, Draft rule determination: Expanding competition in metering and related services, 26 March 2015, draft Rule 11.78.6

[7] The incremental data volume is very significant: in raw data terms, a basic single phase Type 6 meter has a single register that continually accumulates the total amount of energy used. Read quarterly, it produces 4 data points in a year. If the same customer has an interval meter, that meter produces 17,520 half-hourly data points in each year.

that AEMO is to establish under the new Rules as a central point of access to metering services and data provided by MCs.

- Additional staff resources required to establish and manage relationships with the new MCs.
- New operating costs associated with software licensing, network billing, and management of the transition of customer metering arrangements to third parties.

This was reflected in material cost components in the following areas of our Original Proposal:

- A non-network capital expenditure allowance for IT systems changes included as part of the 'Tariff and Metering' component of our non-recurrent IT spending forecast.
- A step change in SCS operating expenditure over the 2015-20 RCP included as part of the 'Demand Side Participation' (**DSP**) operating expenditure forecast.

There is also a possibility that we will incur additional capital and operating expenditure in the 2015-20 RCP in relation to compliance with the AER's new distribution ring-fencing guidelines, which are intended to ensure appropriate separation between regulated and unregulated business activities. Under the draft Rule a distribution network is deemed to become the MC for its existing customers at the time that the new Rules commence, and may be required to put in place new ring-fencing arrangements, whether or not it intends to compete in the provision of unregulated metering services in the new market.

At the time of our Original Proposal it was our expectation that the new guidelines would impose no new costs on SA Power Networks in undertaking its obligation under the new Rules to continue to offer manually-read metering at a regulated price until such time as a meter requires replacement. As a consequence, we did not include any expenditure associated with compliance with the new ring-fencing guidelines in our Original Proposal. We retain this view, and therefore have not included any such expenditure in our Revised Proposal. Should such costs eventuate during the 2015-20 RCP and prove to be material, SA Power Networks may seek to apply for a pass-through of associated costs.

AER's Preliminary Determination

In its Preliminary Determination the AER did not make a determination regarding the prudence or efficiency of the forecast IT capital expenditure associated with this specific regulatory change. Instead, the AER took a holistic approach to assessing our portfolio of 24 proposed non-recurrent IT projects, concluding that the total forecast capital expenditure across the portfolio was not justifiable based on historic spending levels, and that SA Power Networks was unlikely to have the capacity to deliver the number of projects proposed during the 2015-20 RCP. The AER substituted its own estimate for total non-recurrent IT capital expenditure, which was a 40% reduction on our Original Proposal[8].

Although it did not comment on the merits of individual IT projects the AER did, however, make specific observations relevant to our forecast spending in this area, noting that both the Consumer Challenge Panel (**CCP**) and KPMG had commented that some of SA Power Networks' proposed IT spending was in response to anticipated regulatory changes that

[8] Attachment 6 to AER Preliminary Determination, page 6-122

were not yet finalised, and hence the impact of these changes could not be forecast with certainty[9].

In terms of operating expenditure, the AER did not accept any step change in operating expenditure related to Demand Side Participation. It did not comment specifically on this component of our forecast DSP operating expenditure.

SA Power Networks' response to the Preliminary Determination

Summary

We do not agree with the AER's Preliminary Determination that there will be no new capital or operating expenditure arising from the impact of the competition in metering Rule change.

The introduction of full competition in metering is the most significant, complex and wide-ranging regulatory reform arising from the AEMC's Power of Choice review. The draft Rule change essentially re-writes Chapter 7 of the NER, introduces new regulatory obligations on distribution network businesses with respect to their relationship with MCs, and mandates a national rollout of smart meters commencing in 2017 that will fundamentally change the nature of metering in South Australia.

This significant regulatory change will result in an increase in both capital and operating expenditure across several areas of the business that are required for the continued provision of SCS. These additional costs arise to a large extent due to the need to transition network billing systems from dealing with four accumulation reads per meter per year to 17,500 half-hourly interval reads per meter per year. However, additional material impacts will also occur due to the need to re-design processes to adapt to the new roles and responsibilities and to implement new interfaces to AEMO that will be required under the new framework.

We have, however, revised certain aspects of our Original Proposal in light of the greater certainty that now exists following the publication of the draft Rule change, and taking into account the AER's Preliminary Determination.

Our response is set out in more detail in the sections that follow.

Confidence in the outcomes of the competition in metering Rule change

In its Preliminary Determination, the AER questioned the prudence of some of our proposed IT spending on the basis that it was in response to regulatory changes that were not yet finalised. It quoted KPMG's review of SA Power Networks' IT portfolio, which stated:

> *"SA Power Networks had used a number of regulatory obligation changes, such as RIN, Power of Choice and contestable metering changes, as justification within the IT investment plan when some of these are yet to be mandated"*[10]

The AER also noted that the CCP had expressed concerns, stating:

[9] Attachment 6 to AER Preliminary Determination, page 6-119

[10] Attachment 6 to AER Preliminary Determination, page 6-119

> *"The CCP was concerned that government and regulatory decisions on these matters are in flux, as is the timing of implementation. Given this uncertainty, the CCP considered we should not provide an ex ante allowance for SA Power Networks' proposed IT capex relating to these potential market developments."*[11]

SA Power Networks notes this concern, and agrees that as a distribution network we face a considerable challenge in forecasting our expenditure requirements over a five year period at a time of significant regulatory reform.

In the specific case of the competition in metering Rule change, however, we note that the publication of the draft Rule in March 2015 has resolved a number of uncertainties that were present at the time of our Original Proposal. The draft Rule provides clarity on the impact of the new Rules, and sets a clear timeframe for their introduction. Although the Rule is not yet final, the AEMC's Rule change process is such that changes made between draft and final Rules tend to be in the detail of the drafting only; it would be unusual for a final Rule to differ materially in scope or intent from the draft. Given that the competition in metering Rule change has been prepared over an extended period of industry consultation, we consider that we can now estimate the impact of the Rule change with confidence.

We understand that the AER shares this view, as it has relied on the assumption that the Rule change will proceed as drafted, and to the timeframe proposed by AEMC, in several aspects of its Preliminary Determination, in particular with respect to its treatment of exit fees, up-front payments for meters, the rejection of our proposal to install interval meters as standard and the consequent rejection of dependent initiatives such as low-voltage (**LV**) network monitoring. The AER makes its position clear in the following statement in Attachment 16 to the Preliminary Determination:

> *Our preliminary decision takes the AEMC's draft rule into account and establishes a regulatory framework for the 2015-20 regulatory period which will be robust enough to handle the transition to competition once the rule change takes effect from 1 July 2017.*

We note that, as the final Rule change is scheduled to be published prior to SA Power Networks' final determination, the AER will have the opportunity to take the final Rule into account when making its final determination.

IT expenditure is necessary, prudent and deliverable

While the AER did not make a determination regarding the prudence or efficiency of the forecast IT capital expenditure associated with the competition in metering Rule change, it did make general observations regarding the IT portfolio as a whole. Its primary concerns were:

- That some projects appeared to be targeted at achieving operational efficiencies, but the tangible benefits did not adequately justify the costs[12].

[11] Ibid

[12] Attachment 6 to AER Preliminary Determination, p6-120

- That some projects appeared to be discretionary in nature and a prudent operator would defer such projects to the subsequent regulatory control period in light of the significant workload in the portfolio[13].
- That SA Power Networks proposed to rely heavily on outsourcing to deliver its IT portfolio, an approach which, in the AER's view, introduces risks to deliverability[14].

In response, we note that in the specific case of our proposed expenditure related to the competition in metering Rule change:

- The expenditure results from a regulatory change that will cause changes to a number of AEMO procedures and systems that we are required under the Rules to use in the ongoing provision of SCS. The only exception to this is certain costs associated with interfacing to the new AEMO shared market gateway to access network-related meter functions. At the time of our Original Proposal we expected that these interfaces would be mandatory. The draft Rule change now indicates that MCs will not be required to provide these services, and hence we have removed these costs from our Revised Proposal for the 2015-20 RCP.
- The Rule change is intended to occur in 2017 and hence the expenditure cannot be deferred. In fact, some expenditure will be required earlier than originally forecast; a major retailer has already commenced rolling out smart meters in South Australia in advance of the new Rules.
- The IT expenditure relates primarily to the upgrade of existing systems. The work will therefore be undertaken though a combination of existing suppliers and in-house resources, with no reliance on outsourcing arrangements that introduces new or material risks. The deliverability of the IT portfolio more broadly is addressed in more detail in a separate document[15].

In summary, we consider that our forecast IT capital expenditure is necessary and prudent, and we are satisfied that the changes can be delivered in our forecast timeframe.

Impact on operating costs

Although the AER noted that our forecast step change in operating expenditure related to DSP included "*additional forecast activity that will arise from metering contestability*"[16], it does not appear to have taken this into consideration when making its Preliminary Determination, which was as follows[17]:

> *"As outlined in Attachment 16, we do not accept SA Power Networks' proposal to install 'smart ready meters' in its network or its proposal to change to monthly meter reading. As a result we have not included any step changes in communications, IT and billing costs in our alternative opex forecast.*
>
> *...*

[13] Ibid, p6-121

[14] Ibid, p6-118

[15] Revised Proposal - Attachment G.14: IT Resourcing and Deliverability

[16] Attachment 7 to AER Preliminary Determination, p. 7-85

[17] Ibid, pp. 7-85 – 7-88

"We have not included any step changes in our alternative opex forecast relating to IT."

We do not agree with the AER's preliminary decision to exclude all forecast operating expenditure in the DSP category on the basis that it had rejected our proposal to install 'smart ready' meters and to change to monthly meter reading. Our original DSP operating expenditure forecast included a step change in ongoing operating costs associated with managing the impact of the competition in metering Rule change. These costs are entirely independent of our 'smart ready' metering strategy[18] and hence cannot be excluded for these reasons.

Our revised proposal

Summary

Additional expenditure will be required in the 2015-20 RCP associated with the impact on the business of the transition to full competition in metering. These costs result from the significant changes in regulation proposed in the AEMC's competition in metering Rule change, which is expected to come into effect in July 2017.

We forecast an increase in both capital and operating expenditure across several areas of the business including billing, customer connection, and our interfaces to the AEMO.

These costs are predominantly IT related and are associated with the continued provision of SCS. They are independent of our ACS's proposal and the AER's Preliminary Determination in relation to ACS.

We have revised certain aspects of our Original Proposal in light of the greater certainty that now exists following the publication of the draft Rule change, and taking into account the AER's Preliminary Determination. Our Revised Proposal differs from our Original Proposal in the following aspects:

- In our Original Proposal we allowed for a number of new interfaces to AEMO's new SMP Platform. Some of these were associated with access to standard network functions of smart meters such as outage notification alarms and voltage measurements that can offer benefits in network operations once a sufficient penetration of smart meters is reached. With the publication of the draft Rule change in March 2015 it is now apparent that the national minimum specification prescribes only a very limited set of services, and MCs are to have no obligation to offer access even to these. As we now have less confidence in whether or how these services will be available through the SMP Platform in the 2015-20 RCP we have removed the associated cost of these interfaces from our forecasts, and reduced the number of interfaces only to those services that we now expect to be available, and that we reasonably require to continue to meet our regulated obligations, namely market data, supply disconnection and reconnection and the minimal level of configuration of off-peak controlled load (**OPCL**) settings required to support our existing OPCL tariffs with third-party meters[19]. We will defer the development of

[18] Originally the only point of dependency was our assumption, when forecasting data volumes, that every new and replacement meter would be an interval meter from July 2017. At the time of our original proposal it was not certain that this would be an outcome of the competitive metering framework, but it was a natural consequence of our own 'smart ready' interval meter strategy. It is now clear from the draft rule that all meters installed after July 2017 will be interval meters, so the outcome is the same.

[19] These tariffs require switching in the meter to limit controlled loads such as hot water and underfloor heating to off-peak hours. Around 300,000 customers in South Australia are on these tariffs today.

interfaces to access other advanced services until the following RCP, by which time the market will be established and there will be greater clarity in regards to their availability across the various MCs. This will also delay the realisation of customer and network benefits associated with these functions, but this does not affect our original forecasts as we did not originally forecast any material savings in operating cost associated with these functions in the 2015-20 RCP because we did not expect a critical mass of meters to be reached until after 2020.

- We have adjusted consequential IT costs such as security implementation and project costs to reflect the reduced scope outlined above.
- We have adjusted our forecast meter replacement rates (churn) to align with the AER's Preliminary Determination in relation to reactive asset replacements and the rate of uptake of solar PV[20] and to take account of retailer-initiated meter replacement prior to 2017 (see below).
- We have adjusted the timing of expenditure to align with the timeframe proposed in the draft Rule change, and to take account of recent developments. We are currently in discussions with a major retailer that has already commenced installing smart meters in South Australia in advance of the new metering competition framework, and has formally advised that they intend to replace a significant number of meters in the 2015-2017 period. As a consequence, we are already beginning to incur costs that we had originally forecast to incur after the commencement of the new metering competition Rules.
- We have included the operating cost of additional staff resources in the Customer Connect Team (**CCT**) to manage forecast meter churn. This is the team that updates our internal systems and records when there is a market transfer of customer metering from one type of metering to another, e.g. from a regulated Type 6 meter to a third-party Type 4. This estimate replaces the effort estimate for the corresponding function that was included in our Original Proposal under 'Customer and Retailer Engagement', which was based on our original expectation of customers adopting a mix of SA Power Networks' manually–read interval meters and third-party smart meters.

Our revised forecasts for capital expenditure and operating expenditure are as follows.

[20] Refer Attachment 16 to AER Preliminary Determination, table 16.10 and Attachment 6 to AER Preliminary Determination, p. 6-45

SCS capital expenditure impact

Table 1 below shows the forecast impact of the competition in metering Rule change on capital expenditure in the 2015-20 RCP.

Table 1: IT capital expenditure forecast to support smarter meters for the 2015-20 RCP (2013/14 $)

CAPEX – competition in metering	Total ($,000)	2015-16	2016-17	2017-18	2018-19	2019-20	Note
Non-network CAPEX – IT (non-recurrent)							
IEE, MTS upgrades to support interval meter data	3,908	1,249	1,954	705	0	0	(1)
Infrastructure growth - data archival	958	0	101	176	303	378	(2)
Data warehouse platform - interval data	1,028	0	0	168	422	438	(3)
Meter service: Remote de-en/re-en	1,042	0	0	646	396	0	(4)
Meter service: Controlled load	778	467	311	0	0	0	(4)
SMP Platform integration and security	397	397	0	0	0	0	(5)
Total non-network CAPEX - IT	**8,111**	2,113	2,366	1,695	1,121	816	
Non-network CAPEX – Other							
Business process change	1,461	484	734	242	0	0	(6)
Total non-network CAPEX - Other	**1,461**	484	734	242	0	0	
Total CAPEX	**9,572**	2,597	3,100	1,937	1,121	816	(7)

Notes:

1. Upgrades to IEE and MTS (billing and market transaction systems) to support up to 281,000 additional interval meters by 2020. This uplift in cost is in addition to the cost of base platform upgrades.
2. Storage capacity upgrades to support seven year archival of interval data.
3. Cost estimates based on vendor license costs to add capacity to SAP data warehouse platform.
4. Costs to integrate to AEMO SMP Platform to access basic meter services provide by third-party MCs. Costs include implementation of interface to common market gateway and associated conformance testing, as well as data processing, storage, reporting and integration with relevant business processes. Estimates prepared by Deloitte.
5. Base cost for system re-engineering and security architecture to transition from existing FTP-based B2B hub accessed via a secure VPN to new SMP Platform based on web services.
6. Implement business processes for meter transition to 3rd party MDPs and management of multiple meter providers, implement new AEMO governance arrangements for SMP Platform, meter asset transfer processes, and new obligations under the new Rules in relation to co-ordination with MCs to facilitate retailer meter exchange programs. Forecast team of 4 x Full Time Equivalents (FTEs) plus allowance for related third party products and services in year 2. Estimate is based on:

a. Analysis of AEMO market procedures impacted by the Rule change, both existing procedures that are required to change and new procedures AEMO is required to develop. A summary of these is included in Appendix 0.

b. Internal risk assessment and initial business process mapping workshops undertaken in conjunction with major retailer / MC that is currently commencing a smart meter rollout in South Australia. A summary of these business processes is included in Appendix 0.

Once new processes are in place and the market is operational this team reduces to 1xFTE for ongoing MC liaison and logistical support, plus incremental allowance for business as usual operating expenditure for AEMO market procedures. These are included in operating expenditure forecast below.

7. All costs are in 2013/2014 dollars.

A further breakdown of these costs is provided in Appendix A.

SCS operating expenditure step change

Table 2 shows the forecast step change in operating costs resulting from the competition in metering Rule change.

Table 2: Operating expenditure forecast to support smarter meters for the 2015-20 RCP (2013/14 $)

OPEX – DSP (competition in metering)	Total ($,000)	2015-16	2016-17	2017-18	2018-19	2019-20	Note
Interval data processing / billing support	953	0	143	191	286	334	(1)
IT infrastructure growth & licenses	343	0	13	44	113	174	(2)
IT systems support staff	740	0	170	170	201	201	(3)
CCT team staff – process meter churn	2,525	202	303	808	606	606	(4)
Metering liaison officer	404	0	101	101	101	101	(5)
Total OPEX	**4,965**	202	729	1,313	1,306	1,415	(6)

Notes:

1. Additional staff resources for processing increased volumes of interval data. This is for billing-related staff costs required for the provision of SCS. Estimated impact is 0.5 x FTE per 50,000 interval meters, based on data from Victorian network of actual billing staff required to process data from interval meters in high volumes.
2. Incremental hardware growth, licensing, vendor support and maintenance costs associated with IT system capacity uplift.
3. Ongoing application support and maintenance for new meter management and market processes, billing and market system changes and external market gateway interfaces, and IT security management of new external interfaces.
4. CCT close-out team FTEs to process meter churn, updates to internal systems and records to process market transfer of customer metering from regulated Type 6 to third-party Type 4. Resource requirement is estimated based on historical processing time per meter for Type 4 meter replacements in South Australia. Forecast annual meter churn assumes all meter installations after July 2017 are Type 4. Churn forecast takes into account AER Preliminary Determination with regard to solar PV installation rate and meter asset replacement volumes. The estimate for CCT close out FTEs replaces a similar estimate that was included in 'Customer and Retailer Engagement' operating expenditure in our Original Proposal.
5. New role, 1 x FTE to co-ordinate ongoing commercial and logistical arrangements with multiple meter providers, including contracts, meter asset transfer, asset recovery, etc. Estimate based on process mapping with major retailer currently commencing a smart meter rollout in South Australia – refer Appendix 0.
6. All costs are in 2013/2014 dollars.

A further breakdown of these costs is provided in Appendix A.

Detailed cost breakdown

Refer cost model spreadsheet attached.

AEMO Procedures and other instruments affected by rule change

Effort and cost estimates for business process re-engineering and IT system changes have been prepared taking into account an analysis of the scope of changes proposed to AEMO market procedures in the draft competition in metering Rule change.

The tables below summarise the market procedures and other instruments that AEMO will be required by the Rule change to modify (in the case of existing procedures) or develop that impact on business processes and market systems within SA Power Networks. The expected timing is also shown where known.

Instruments	Action	New Rule ref.	Timing (if known from draft determination)
EXISTING			
Metrology procedure(s)*	Establish and maintain	7.1.1(g)	
	Amend and publish	11.78.6(a)(iii)	1 April 2016
Service level procedures	Establish and maintain	7.1.1(g)	
	Amend and publish	11.78.6(a)(i)	1 April 2016
Procedures for minimum services specification	Establish, maintain and publish	7.8.3(c) and (d)	
Market Settlement and Transfer Solution Procedures	Amend and publish	11.78.6(a)(ii)	1 April 2016
Meter churn procedures	Amend and publish	11.78.6(a)(iv)	1 April 2016
RoLR Procedures	Amend and publish	11.78.6(a)(v)	1 April 2016
B2B arrangements	By IEC, amend and publish (To comply with B2B principles and objective)	11.78.6(e)	1 April 2016
NEW			
Document to record specific site and technology-related conditions	Develop and publish	7.8.12(c)(1)	Not specified
Emergency priority procedures	Develop and publish (or incorporate in service level procedures)	11.78.6(b)(i)	1 April 2016
Procedures relating to the minimum service specification in accordance with clause 7.8.3(c) of new Chapter 7.	Develop and publish (or incorporate in service level procedures)	11.78.6(b)(ii)	1 April 2016

Instruments	Action	New Rule ref.	Timing (if known from draft determination)
Categories of registration	Establish categories of registration for MPs for Types 1 to 4A as per schedule, "or other procedures approved by AEMO"	S7.2.2	1 Oct 2016
Categories of registration	Establish Accredited Service Provider categories of registration		1 Oct 2016
Registration process for MCs	Develop and publish	11.78.6(d)	1 October 2016
Shared market protocol	Not yet clear – see pages 183, 184 of Draft Determination	Details not yet incorporated in existing or proposed Rules	Not yet clear

Table source: Victorian Distribution Network Service Providers' submission on AEMC draft determination on expanding competition in metering and related services, 21st May 2015[21].

[21] Accessed at: http://www.aemc.gov.au/Rule-Changes/Expanding-competition-in-metering-and-related-serv

Business process mapping – new MC engagement

Estimates of business process change effort associated with direct interaction with 3rd party MCs (i.e. not including interaction through AEMO market procedures considered in Appendix B) have been prepared based on internal risk assessment and initial process mapping workshops undertaken in conjunction with major retailer currently commencing a smart meter rollout in SA. The table below shows business processes identified in the first phase of process mapping.

Business process	Complexity
Schedule site disconnection / reconnection – SAPN / MC co-ordination	Medium
Manage meter tamper event	Low
Manage potential supply issue – communication MC to SAPN	Medium
Retailer notify LNSP of replacement forecasts & target areas	Low
Manage meter returns – MC to SAPN	Low
Manage meter returns – SAPN to MC	Medium
Identify and manage defective work conditions in the field	Medium
Manage faults and emergencies - SAPN	Medium
Manage installer records	Low
Manage SAPN controlled load profile sample meters	Medium
Manage remote disconnect / reconnect	High
Off peak controlled load meters – manage switching configurations for OPCL tariffs	Medium
Manage SAPN existing smart meters (trial areas, network monitoring)	Medium
Dependent IT systems – configuration management and common test environments	Medium
Manage Consumer Claims	Medium
Consumer Contact Management	Medium
Manage disputes - LNSP Charges	Medium
Manage Disputes – Consumer	Medium
Life Support Reconciliation	Medium
Service Request and Order Types	Medium