



22 December 2010

Mr Chris Pattas
General Manager
Network Regulation South
Australian Energy Regulator

Email: AERinquiry@aer.gov.au

Dear Mr Pattas,

AGL Energy Limited (**AGL**) welcomes the opportunity to provide comment on the 'Draft Decision Victorian electricity distribution network service providers – Advanced Metering Infrastructure remote services charges' (**Draft Decision**).

Before discussing specific key items identified in the Draft Decision, it should be noted that AGL considers that regulatory changes should, at this stage, be kept to a minimum. Smart meters are being gradually rolled out in Victoria during the next few years and it will take some time before the industry and the community has sufficient understanding of the impacts of the new infrastructure.

We note that the Draft Decision defines the terms and conditions for the remote services that a distributor will be providing. AGL strongly recommends that the definition of the remote services be considered within the context of the terms and conditions that have been drafted as part of the NSMP. To ensure national consistency, the definitions for remote services should be the same as those in the national program, which the industry has agreed to through the extensive NSMP consultation processes, rather than Victorian specific definitions.

Remote Service Provision

While the Draft Decision has acknowledged that the National Smart Metering Program (**NSMP**) is working on specifications and business processes to support remote services, there seems to have been little consideration of how services will be requested until the procedures for remote services are available.

Under existing business to business (**B2B**) communication protocols the distributor decides if the service that has been requested by the retailer will be completed remotely or manually. There is a general expectation that the services will be completed remotely whenever possible but until existing B2B communication protocols are amended, retailers will not be able to specify that the service is to be completed remotely. This means that a retailer is unable to neither advise the customer how the service will be performed nor know the costs.

It will be extremely difficult for retailers to provide the customer with accurate information on the expected timeframe and cost associated with the service where there is uncertainty as to whether the service will be completed manually or remotely. It is simply unfair to expect a customer to request a service and not be advised on how that service will be completed or the fee that will apply. AGL is concerned that this will potentially result in a negative customer experience. It is our view that if a premise has a smart meter installed then the distributor must provide the most efficient service at the lowest cost. The manual alternative should be considered only as a last resort.

- > Being selected as a member of the Dow Jones Sustainability Index 2006/07
- > Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
- > Being selected as a constituent of the FTSE4Good Index Series

Clear business rules are therefore required, detailing the process that the distributor will undertake in selecting if a service will be provided manually and how the retailer and customer will be able to know how the service will be performed.

Special Meter Reads

The Draft Decision states that remote special meter read functionality has been developed. This is to allow distributors to recover data missed during routine reading and to allow customers to benefit from receiving remote special meter reads upon request, albeit with a delay of several hours.

As we have note above, current B2B protocols do not allow for a retailer to request a remote service, it is the distributor who determines how the service will be provided. We therefore seek clarification on how the customer will be able to request this service.

We wonder why Jemena and United Energy see the need to charge for the provision of accurate data when Citipower and Powercor do not see any need for this service. We also believe that clear rules need to be developed detailing when Jemena and United Energy will charge the fee associated with a remote special read for missing data.

Meter Reconfiguration

We acknowledge that there is little information available on the remote provision of services and it may be complex to estimate the time required to undertake services remotely. On this basis it is difficult to assess if the rates and timeframes proposed for the provision of remote services are reasonable.

We seek clarification on why the fee associated with the remote meter reconfiguration is disproportionate to the proposed fees for remote re-energisation, remote de-energisation and remote special read.

Should you have any questions in relation to this submission, please contact Sallie Proctor, Manager Regulatory Compliance and Advice on (03) 8633 7871 or at SProctor@agl.com.au

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Alex Cruickshank', is located below the text 'Yours sincerely,'.

Alex Cruickshank
Head of Energy Regulation

- > Being selected as a member of the Dow Jones Sustainability Index 2006/07
- > Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
- > Being selected as a constituent of the FTSE4Good Index Series