Submission Date - 14 September 2012

United Energy AMI Remote Service Charges Application 2013

1. Executive summary

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

- Remote Special Meter Reading;
- Remote Re-Energisation;
- Remote De-Energisation; and
- Meter Reconfiguration.

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.

In February 2011 the AER approved charges for 2011 and 2012. The AER has requested that United Energy (UE) provide a statement of charges and terms and conditions for charges to apply from 1 January 2013.

As previously outlined in our letter to the AER, the practical implementation of AMI remote services was delayed relative to the timeframe expected at the time of the Final Decision. UE commenced providing remote re-energisations and de-energisations from April 2012 although volumes are still low.

UE propose the following charges to apply from 1 January 2013 to 31 December 2013.

AMI Remote Service Charges for 2013

Name of Service	$ (Real 2012)
Remote Re-Energisation	6.08
Remote De-Energisation	5.71
Remote Meter Configuration	32.00
Remote Special Read	0.75

2. Regulatory requirements

In February 2011, the AER made a Final Decision on AMI remote services charges, review under ESC Guideline 14. This Final Decision established AMI remote service charges for 2011 and 2012. As part of this Final Decision, the Victorian Distributors are required to submit revised AMI remote service charges proposals by 31 August 2012 for the Calender Year 2013.

The AER must carry out a review of AMI remote service changes in accordance with the process set out in the AMI Order in Council (OIC) and the ESC, Electricity Industry Guideline 14: Provisions of Services by Electricity Distributors (Guideline 14).

AMI remote service charges are regulated under Guideline 14 as excluded service charges. UE is required to provide its statement of proposed charges and terms and conditions in accordance with

Section 5.5 and 5.6.2 of Guideline 14. At a minimum the Distributor must include the following information:

- A description of the AMI remote services including details of what is actually provided as part of that service;
- An explanation of any change in the proposed charge or terms and conditions for the AMI remote services including the reasons for any change in, or change in the magnitude of costs, incurred by the Distributor in providing the services and the effect of any such change on the distributors proposed charge and terms and conditions; and
- Details of what is required of the Distributor in providing AMI services such as material and labour, including labour type, hourly rates and estimated man hours to complete the work.

3. AMI remote services

3.1. Description

The AER Final Decision sought to make the AMI remote services description consistent across Distributors and consistent with proposed future national processes where possible. The descriptions of AMI remote services in the AER Final Decision are:

> Remote Special Meter Read – an actual meter reading performed outside of the usual readings cycle for the meter[1]
>
> Remote De-Energisation – refers to the use of the AMI/smart metering infrastructure communications system to control a supply contactor inside the meter such that the customer is disconnected from the DNSP's network (also referred to as 'disconnection')[2]
>
> Remote re-energisation – refers to the use of the AMI/smart metering infrastructure communications system to control a supply contactor inside the meter such that the customer is connected to the DNSP's network (also referred to as 'connection')[3]
>
> A meter reconfiguration is a change to the software in the meter that enables changes to parameters for specific meter function. Examples of meter reconfigurations include:
>
> - Changing the switching times for controlled loads;
> - Changes associated with the installation of embedded generation and/or the premium feed in tariff; and
> - Implementation of supply capacity.

UE is reasonably supportive of these charge descriptions continuing. However, in the case of UE, a remote special meter reading is providing data or register reads for the previous day, it is not providing a within day or part day meter read.

[1] AER,Final Decision,Victorian electricity distribution network service providers AMI remote services charges, Review under ESCV Guideline 14, February 2011 P 11
[2] AER,Final Decision,Victorian electricity distribution network service providers AMI remote services charges, Review under ESCV Guideline 14, February 2011 P 15
[3] AER,Final Decision,Victorian electricity distribution network service providers AMI remote services charges, Review under ESCV Guideline 14, February 2011 P15

3.2. Terms and Conditions

The nature and scope of the services proposed have not changed. Hence the terms & conditions surrounding the provision of these services remain the same. UE proposes the same terms and conditions as those in the AER Final Decision.

> 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 UE'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 UE 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 UE 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.

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 UE's Cost Allocation Methodology submitted as part of its 2011 -2015 pricing proposal. The fees do not include any costs in respect of which UE is remunerated under UE'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.

The costs of providing these services are the same for all classes of customers where the customer has a UE AMI meter operating remotely.

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

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

4. Special meter reads

4.1. Description

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 provided by UE and is capable of being remotely read by UE's AMI communications infrastructure.

The charges apply to each UE owned 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.

4.2. Process

Where an AMI meter is remotely read, retailers are provided with interval data and the register read each day for the previous day. In addition to this daily data provision, retailers are also able to request a service order called Provide Meter Data (PMD). These PMD service orders are used where the retailer is seeking to have the data resent for some reason and are already part of the existing metering service charges.

As UE indicated in our last submission it is expected that remote special meter reads will hardly be used; UE received around 30-60 requests per month in 2012 and only around 10-30 per month in the second half of 2011. Based on the minimal use and revenue earnt from the charge, it would not be prudent and efficient to spend effort improving the level of automation further, even if this were possible.

There is a small level of manual intervention to deal with exception handling.

4.3. Proposed Charge

As defined above the Special Meter Read is an actual meter reading performed outside of the usual readings cycle for the meter.

When remotely performed, there is still a small degree of manual intervention in the remote special meter read service charge to cater for exceptions. This remote special read service is not intended to deal with attempting to gain meter data from faulty meters, these situations will be handled through asset replacements processes.

In UE's previous submission the estimated level of manual intervention was calculated to be 20 minutes. Based on the small volumes, UE now estimates the level of manual intervention for the exceptions as 7 minutes with exception levels of 10%. This has resulted in a reduction of the charge from $1.50 to $0.70 as outlined in the table below.

Assumptions*:*	
100% special reads to be performed 'remotely' (via integration with Itron IEE)	
Exception handling: 10% require 7 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.):	400

Volume - Exceptions (p.a.):	40
FTEs - Exception Handling (p.a.):	.003
FTE Cost: (see Salary Assumptions tab)	$299.00
Cost per service order:	**$ 0.75**

5. De-energisation and Re-energisation

5.1. Description

- 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.

- 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.

5.2. Process

When performing a remote re-energisation there are a number of activities that are performed manually:

- Checking that the retailer has requested the correct meter number is to be re-energised;
- Checking the method of de-energisation and whether a remote re-energisation is a viable service order request;
- Checking whether the site has been energised in the past 12 months or whether a certificate of electrical safety is required or not; and
- Addressing any lack of AMI communications to the meter or lack of an automated response from the AMI meter advising that the service has been successfully completed.

The first three bullet points required manual intervention to validate the data provided and check that the service may be performed as requested.

Where AMI communications are temporarily unavailable, the service will be requested up to three times. If the service is still not successful, then the service request will fall out to an exception queue and further investigation will be undertaken.

The process associated with the de-energisation remote service is similar to the one for re-energisation. There is an extra step involved where the de-energisation is verified against life support records. This is to ensure that life support customers are not disconnected. Staff also verify if there is a concurrent re-energisation request associated with the de-energisation. This is due to the fact that in many cases one customer moves out and another one moves in within short timeframes.

The Energy Safe Victoria (ESV) will review retailers call centre scripts and training to ensure that retailers are well prepared to provide the correct advise to customers who wish to have a remote re-energisation or a remote de-energisation service. Once the ESV has reviewed the retailer's processes and considers them adequate, the ESV will provide a notification to the distributor that the retailer is ready to undertake these service requests on the Distributor's patch. UE have two retailers who were ready to undertake these services in April 2012 and a further retailer who is expected to commence these services in late September 2012. Given the slower than expected readiness of the retailers, uptake for these remote energisation services has been slow and made the delivery of the services less efficient. A retailer who has remote capability can request a remote de-energisation, however a retailer without this remote capability can only request a manual or field re-energisation and as such UE resources undertake a site visit to ensure that the customer is re-energised.

There may be some avenue for less time on manual intervention once all retailers have ESV endorsement of their processes and are ready to request remote services. UE do not consider that this will ever be a fully automated process. There will be times when safety certificates are required or the AMI communications have not worked and there is further investigation required.

5.3. Proposed Charge

5.3.1. Summary Table – Re-energisation

Based on the limited volumes, the review time of service order requests has decreased from 7 to 5 minutes. Exception handling volumes and manual intervention has remained the same.

Assumptions:
100% manual review of remote service orders in SAP ISU to check whether the correct meter specified by the Retailer, method of Re-energisation, meter capabilities, and whether site has been active within the last 12 months.
Service Order – Review & Initiate time: 5 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.):	1,704
FTEs - Review (p.a.):	0.1
FTE Cost: (see Salary Assumptions tab)	$9,088.00
Volume - Exceptions (p.a.):	170
FTEs - Exception Handling (p.a.):	0.01
FTE Cost: (see Salary Assumptions tab)	$1,277.00
Cost per service order:	**$6.08**

5.3.2. Summary Table – De-energisation

Similar to Re-energisation, De-energisation has also seen a decrease in the costs. A reduction in exception handling volumes combined with a reduced review time for service orders has resulted in an overall reduction and a lower cost to remotely de-energise compared to re-energising a premise.

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.	
Service Order – Review & Initiate time: 5 mins per service order	
Exception handling: 5% require 7 mins manual intervention	
.1% of exceptions dealt with manually via field visit	
Calculations:	
Volume - Total De-energisations (p.a.):	180
FTEs - Review (p.a.):	.009
FTE Cost: (see Salary Assumptions tab)	$ 960.00
Volume - Exceptions (p.a.):	9
FTEs - Exception Handling (p.a.):	.0006
FTE Cost: (see Salary Assumptions tab)	$67.00
Cost per service order:	**$ 5.71**

6. Meter Re-configuration

6.1. Description

A meter reconfiguration is a change to the software in the meter that enables changes to parameters for specific meter function. Examples of meter reconfigurations include:

- Changing the switching times for controlled loads;
- Changes associated with the installation of embedded generation and/or the premium feed in tariff; and
- Implementation of supply capacity

6.2. Process

UE has no specific cost build up of data available relating to specific meter reconfiguration services. The majority of meter reconfiguration services performed are in relation to solar reconfigurations as opposed to the other software changes described for this service. To date the volumes of solar reconfigurations have been created due to the closure of the premium feed in tariff scheme in December 2011 and the planned closure of the transitional feed in tariff scheme. Given the closure of these schemes, even with the falling cost of solar panels we would not expect the same level of activity for this service next year.

Supply capacity control is not part of the normal offerings in the market at this stage.

Once two element AMI meters are utilised by UE there may be some two element to one element meter reconfiguration requirements in order to receive retailer net feed in tariffs or other specific tariff offerings.

Remote metering re-configuration is a linear process with manual intervention required at each step. Each meter type has a specific default program and variations on the default programming which may be used depending on the specific meter re-configuration request.

Meter re-configuration requests are reviewed and processed individually. Some scripting is used to support the manual processes given the high volume of one type of meter re-configuration (solar on a single element standard meter) however this falls well short of automation.

Establishing increased levels of automation for remote meter re-configuration would be a significant project and this is currently not forecast.

The cost build up provided is based on solar meter re-configurations and allows for a 15 minute review by the New Connections Officer to ensure that paperwork is correct before handing over to the AMI Network Operations team. The time to review the service request has reduced compared to our previous submission given the high volume of one type of meter re-configuration request. The business to business service order request uses the service order type Adds and Alts, this service order does not currently cater for different meter re-configuration request types in a manner that could allow better streamlining of the incoming work. Even if these changes were made in business to business procedures, there is still a need for accompanying paperwork and these re-configuration requests will be a by-product of other work.

The process involves receiving the request checking the paperwork, changing the configuration of the tariff and raising an internal service request to reconfigure for the AMI Network team to complete the request remotely.

The AMI Network team will then check the meter and request type and select the correct -programming to remotely re-configure its functionality.

Exceptions will occur, estimated at 20% of the number of requests, due to a myriad of reasons. These include but are not limited to:

- Checking that the retailer has requested the correct meter number to be re-configured;
- Checking that all paperwork is complete and correct;
- Addressing any lack of AMI communications to the meter or the meter not functioning correctly; and
- Confirmation of re-configuration not acknowledged, lack of an automated response from the AMI meter advising that the service has been successfully completed.

6.3. Proposed Charge

In comparison to the previous submission the cost of this service has decreased. Review of the request by the New Connections Officer and the execution time of the AMI Analyst have decreased from the previous submission. Additionally, the number of exception handlings has also dropped from 20% to 5% for the AMI analyst. However exception handlings have appeared for the New Connections Officer of 10% of cases handled.

Assumptions:	
100% manual review by New Connections Officer to determine which meter program ID to be applied.	
Service Order – Review & Initiate time: 15 mins per service order. 10% will have errors and require 20min intervention manually	
100% execution by AMI Communications Analyst through remote instruction via SSN UIQ	
Execution time: 12 mins per service order	
Exception handling: 5% require 20 mins manual intervention	
Calculations:	
Volume - Total Remote Meter Reconfigurations (p.a.):	4,092
FTEs – New Conns Review (p.a.):	.58
FTE Cost: (see Salary Assumptions tab)	$65,472.00
FTEs – AMI Network Ops Execution (p.a.):	0.47
FTE Cost: (see Salary Assumptions tab)	$52,337.60
Volume – Exceptions New Connections (p.a.):	409

Volume – Exceptions AMI Network Ops	205
FTEs - Exception Handling Review (p.a.):	.08
FTEs - Exception Handling Execution (p.a.):	.04
FTE Cost: Exceptions (see Salary Assumptions tab)	$13,094.40
Cost per service order:	**$32.00**

7. Summary of Regulated Services

The updated charges in the proposal reflect the volume of activities and the additional information garnered from the utilisation of the services in the period following the previous final decision.

Charges 2011-2013

Description ($ Real '12)	2011	2012	2013
Remote Re-Energisation	7.0	7.0	6.08
Remote De-Energisation	7.0	7.0	5.71
Remote Meter Re-Configuration	41.6	41.6	32.00
Remote Special Read	1.6	1.6	0.75

In as much as the prices have decreased across the board, the charges are based on low volumes and experience levels to date. The practical implementation of AMI remote services has been delayed relative to the expectation at the time of the AER Final Decision. The AMI roll out has also been slower than expected which has resulted in lower volumes of services.

Delays in use of the remote energisation service have also occurred whilst processes have been reviewed by ESV to ensure customer safety and retailers individually receive endorsement from the ESV with only 3 out of 25 retailers who are have approved processes to undertake remote re-energisation and de-energisation.

Hence UE would like to propose that the charges in this submission be applicable only for the period 1 January 2013 to 31 December 2013.

If you have any queries please contact:

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