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Regulatory Review – Smart Meters
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Regulatory review – Smart Meters – Draft Decision, July 2010

Thank you for providing Jemena Electricity Networks (JEN) an opportunity to comment on the abovementioned Draft Decision. JEN's response is confined to those matters in the draft decision that directly impacts a distributor. In relation to the other matters, JEN has provided its comments to the Issues Paper in relation to this matter and has no further comments to offer.

Notification of variations to tariffs

In the Draft decision, the Commission notes:

“Clause 9.8 of the default Use of System Agreement will be redrafted to ensure that the distributors advise the retailers of the network tariff changes in a timely manner, so that the retailers can meet their new obligations.”

JEN will wait to see the Commission's redrafted Use of System Agreement (UoSA) and offer its comments then.

Information to new customers after remote disconnection

The Commission wishes to ensure that customers are provided with some information if they enter de-energised premises.

JEN considers the requirement on distributors to leave information pamphlets at de-energised premises was designed to encourage retail competition. The pamphlets showing a list of retailers were initially produced by the Commission and now the DPI. Retail competition is well entrenched and customers now know that they have to contact a retailer for energisation. Moreover, customers moving into de-energised premises will already know of a retailer from their previous place of residence.

Notwithstanding JEN's position on this matter, JEN agrees that it is not too onerous for a sticker to be placed in the meter, with the relevant distributor's call centre number. In fact, JEN already displays its fault and emergencies contact number on all of its AMI smart meters.

JEN does not support the proposed amendment to the Electricity Distribution Code requiring distributors to provide a call centre number to be displayed on a meter advising customers to contact this number if their premises are disconnected,

especially when there is already a distributor's call centre contact number displayed on the meter.

Should the Commission decides to proceed with proposed Code amendment, then JEN considers a requirement to display a single call centre contact number on the meter or the meter box would suffice to alleviate the difficulty that some customers may have as to who to contact for energisation.

Frequency of network billing of retailers by distributors

JEN supports the Commission's draft decision to amend the Use of System Agreement (UoSA) to enable distributors to issue monthly bills. Given the Commission's decision is to also retain the payment terms associated with the customer's current billing cycles, JEN accepts that the payment terms in the UoSA needs to be extended until 1 January 2012 to yield a neutral financial outcome. That is, retailers should not suffer a loss of working capital because of the mismatch between receipts from customers and outgoings to distributors.

JEN does not agree with the drafting proposed by the Commission because it inadvertently captures all remotely read interval meters regardless of whether it is a smart meter or a type 1-4 interval meter installed after 28 August 2007. Additionally, the drafting includes customers who are currently on a monthly manual-read cycle and billed monthly on 10 business day payment terms.

The Commission's proposed amendments to the payment terms in the default UoSA are required because of the advanced metering infrastructure (AMI) rollout. Therefore, JEN considers that any amendments to the UoSA must be referenced to customers with AMI meters (not interval meters in general) that are currently on quarterly meter reading schedules.

JEN proposes the following modification to the Commission's proposed amendments to Clause 7.8(a) of the default UoSA in order to address this issue:

"Subject to clause 7.9, a party must pay the amount specified in each invoice rendered to it in accordance with this agreement to the other party within the following number of business days after the day on which the invoice is received (or deemed to be received) by the first party:

- To the extent that the invoice relates to Supply Points with a remotely read AMI internal-meter which were previously on quarterly meter reading schedules [which has been installed after 28 August 2007] and the billing period relates to a period before 1 January 2012 – within # Business Days;
- Otherwise – within 10 Business Days

Appendix Item 3 (Frequency of meter reads) will be amended to read:

"For all Supply Points connect to the Distribution System and having a remotely read ~~internal~~ AMI meter – monthly.

For all other Supply Points – once every 3 months or as otherwise reasonably determined by the Distributor".

Furthermore, JEN proposes that **AMI** and **AMI Metering Data** be defined in the UoSA as:

“**AMI** means advanced metering infrastructure which, remotely, measures and records how much electricity a Customer uses every 30 minutes and provides AMI Metering Data; and

AMI Metering Data means, in relation to a Customer, data collected remotely from AMI and made available to market participants, once every 24 hours”

JEN supports the Commission’s proposed effective start date of the amendments to the default UoSA from 1 October 2010.

The Commission has specifically requested stakeholders comment on the payment period to be inserted in amended clause 7.8(a). JEN believes the payment period will be different for each distributor, given it will depend on the timing of the bills produced currently and when they are done under AMI.

Should you wish to follow up on any of the matters discussed above, please contact me on (03) 8422 9442.

Yours sincerely

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