



Government of **Western Australia**  
Office of **Energy**

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# Amendments to the Electricity Industry Metering Code 2005

Recommendations Report

April 2011



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## Executive Summary

The Office of Energy (**the OOE**) is undertaking a review of the *Electricity Industry Metering Code 2005* (**the Code**). The Code is made by the Minister for Energy (**the Minister**) pursuant to section 39 of the *Electricity Industry Act 2004* (**the EI Act**).

The Code was made in 2005 and has not been amended since then. In this time Code participants have raised concerns with the OOE that there are potential regulatory gaps and inconsistencies between the Code and other instruments that require addressing. Code participants also identified potential amendments to the Code that they believe will allow them to operate more effectively.

The OOE is undertaking a review of the Code on behalf of the Minister and preparing recommendations for the Minister's consideration. The review is being undertaken to address the issues raised by Code participants and to ensure the Code is meeting its objectives.

As part of the review, the OOE published an Issues Paper in June 2010 that invited public comment on a range of questions posed on the Code. The OOE received ten submissions from stakeholders.

Following this, the OOE has prepared this Recommendations Report which sets out proposed amendments to the Code intended to improve the effectiveness of the Code and address inconsistencies with other instruments. The key areas recommended for amendment relate to relaxing restrictions on disclosure of energy data, increasing obligations on network operators to undertake meter readings and ensuring that metering installations are appropriately tested to ensure they are properly maintained. A list of the report's recommendations can be found in Appendix A.

The public is provided with six weeks to comment on the recommendations and, unless otherwise requested in the public submissions received, all public submissions will be posted on the OOE's website at [www.energy.wa.gov.au](http://www.energy.wa.gov.au).

Once the closing date for public comment has elapsed (27 May 2011), the OOE will consider the submissions received and prepare its recommendations for the Minister. The OOE may call on individual stakeholders for their input during the drafting of the recommendations for the Minister to ensure the recommendations are appropriate.

# 1. Introduction

## 1.1 Background

The (then) Minister established the Code in 2005 under section 39 of the EI Act. Section 39 of the EI Act allows for a code to be made in respect of the metering of the supply of electricity by licensees.

The Code sets out the rights, obligations and responsibilities of Code participants associated with the measurement of electricity and the provision of metering services; the rules for the provision of metering installations at connection points, and the rules for the provision of metering services, standing data and energy data.

Code participants include:

- Alinta Sales Pty Ltd (**Alinta**)
- Horizon Power
- Economic Regulation Authority (**the Authority**)
- Independent Market Operator (**the IMO**)
- Perth Energy
- Synergy
- Verve Energy
- Western Power

It is a condition of every electricity licence that is issued by the Authority that licensees must comply with the Code.

The Code has not been amended since its inception in 2005. Since this time Code participants have raised concerns with the OOE that there are potential regulatory gaps and inconsistencies between the Code and other instruments that require addressing. Participants have also identified potential amendments to the Code that they believe will allow them to operate more effectively.

Whilst Part 9 of the Code allows for the Authority to recommend amendment to the Code directly to the Minister for Energy, the OOE is the agency responsible for advising the Minister on and implementing any amendments to the Code. Given the broad range of issues that have been raised and the policy implications of some of these issues, it was agreed with the Authority that the OOE will manage the consultation and amendment process. However, the OOE will liaise with the Authority's Secretariat to ensure the objectives of the process (see section 1.2) are achieved.

An electronic version of the EI Act and the Code are available on the [State Law Publisher](#) website.

## 1.2 Scope and Objectives

The purpose of this process is to assess:

- the Code's inconsistencies with other instruments;
- a number of industry proposed amendments; and
- the suitability of the Code to meet its objectives.

To facilitate the objectives of this process, the OOE will:

- consult with stakeholders;
- identify amendments to the Code that may be required;
- ensure amendments meet / facilitate the Code's objectives;
- identify consequential amendments to other instruments, such as the *Electricity Industry Customer Transfer Code 2004* (**the Customer Transfer Code**), that may be required;
- ensure the Code is consistent with other associated instruments; and
- ensure the Code facilitates regulatory efficiency.

### 1.3 Timetable and Work Program

Activity	Timeframe
Distribute Issues Paper for public consultation	June 2010 (completed)
The OOE to receive public submissions on Issues Paper	July 2010 (completed)
The OOE to assess stakeholder feedback on Issues Paper	July / August 2010 (completed)
The OOE to develop Recommendations Report and release for public consultation	April 2011 (completed)
The OOE to receive public submissions on Recommendations Report	May 2011
The OOE to assess stakeholder feedback on Recommendations Report and finalise Code amendments	June 2011
The OOE to draft amendments to the Code	July 2011
The OOE to seek Ministerial approval to gazette amendments to the Code	August 2011
Amended Code gazetted and in force	September 2011

#### 1.4 Issues Paper

On 18 June 2010 the OOE published an Issues Paper that identified potential amendments to the Code that may be required. The Issues Paper invited submissions on a range of questions posed on each Part of the Code.

The OOE invited submissions on the Issues Paper from any person or organisation by 16 July 2010. At the request of stakeholders, this date was extended to 30 July 2010.

Ten submissions were received in response to the Issues Paper. The submissions were published on the OOE's website in early August 2010 and can be viewed, along with the Issues Paper, at [www.energy.wa.gov.au](http://www.energy.wa.gov.au).

#### 1.5 Recommendations Report

Following receipt of submissions in response to the Issues Paper, the OOE developed a set of recommendations to amend the Code, which are included in this report.

This report is intended to be read in conjunction with the Issues Paper. For ease of reference, the Recommendations Report follows a similar format to the Issues Paper.

For each issue, the report provides a brief summary of the issue, the responses to the Issues Paper, the OOE's response to stakeholder submissions (where required) and the OOE's recommendation (each recommendation is numbered for ease of reference). The submissions to the Issues Paper are paraphrased to provide an overview of the respondent's position. The submissions themselves should be consulted if a complete record of the submission is required.

## 1.6 Invitation for Submissions

The OOE invites submissions on this Recommendations Report **by 5pm (WST) on Friday 27 May 2011**. Electronic submissions are preferred and should be emailed to [metering.code.amendments@energy.wa.gov.au](mailto:metering.code.amendments@energy.wa.gov.au)

Submissions in printed form should be sent to:

Metering Code Recommendations Submissions  
Regulatory Framework Branch  
Office of Energy  
Level 9, Governor Stirling Tower  
197 St Georges Terrace  
PERTH WA 6000

Comments are encouraged on the matters raised in this Recommendations Report, as well as on any other matters considered to be of relevance.

Any queries on the Recommendations Report or the Code amendment process should be made to:

- Mr Peter Hawken, Senior Manager, Regulatory Framework Branch, Office of Energy on 9420 5758; or
- Mr Alex Kroon, Senior Policy Officer, Regulatory Framework Branch, Office of Energy on 9420 5738.

## 1.7 Confidentiality

Stakeholders should clearly specify where information they provide is confidential or commercial in confidence (and, where possible, should separate confidential information from other, non-confidential information). The OOE will respect the confidentiality of any information that is submitted.

Confidential information will not be released to third parties without permission.

Submissions will be published on the OOE website (excluding any material identified by the submitting stakeholder as confidential).

Requests for access to information relating to the Code amendment process will be treated in accordance with the *Freedom of Information Act 1992 (WA)*.

## 2. Analysis and Recommendations

Analysis of the issues and submissions, as well as recommendations, are set out following the structure of the Code itself:

- Part 1 – Preliminary (including Code Definitions)
- Part 2 – Code Objectives and Arms-length Treatment
- Part 3 – Meters and Metering Installations
- Part 4 – The Metering Database
- Part 5 – Metering Services
- Part 6 – Documentation
- Part 7 – Notices and Confidential Information
- Part 8 – Dispute Resolution
- Part 9 – Code Amendment and Review
- Appendices

It should be noted that even if an amendment has been recommended in this report, its inclusion does not necessarily mean that the recommendation will be implemented.

### 2.1 Part 1 – Preliminary (including Code Definitions)

#### 2.1.1 Code definitions

##### Summary

The Issues Paper highlighted Code definitions that are potentially inadequate, incorrect or ambiguous. Inconsistencies were identified between definitions in the Code and definitions in documents approved under the Code. The Issues Paper analysed 42 Code definitions and recommended amendments where it was considered appropriate.

Wherever possible, approved documents should take their lead from the Code to ensure consistency. The Issues Paper and a number of submissions definitions in the approved documents, particularly the Metrology Procedure, may need to be reviewed to ensure greater consistency with the Code.

##### Responses to the Issues Paper and the OOE's response to the submissions

Due to the large volume of definitions that were analysed in the Issues Paper, this analysis focuses on the elements of the submissions that disagreed with the Issues Paper's recommendations; or where respondents offered diverse views on whether (or how) the definition should be amended. Recommendation 1 includes all the recommended amendments to the Code's definitions, following consideration of all submissions.

##### “connect”

The Issues Paper asked whether this definition should be removed from the Code.

Synergy submitted that the definition is used in clause 3.13(4)(b) and expressed the importance of retaining the definition because the terms “link to a network” and “energise” in relation to the transfer of electricity clarify that both are required before supply is “connected”.



The OOE finds that there is no justification to remove this definition from the Code.

#### “connection point”

The Issues Paper suggested that this definition may require amendment if the Code is amended to address pre-payment meter (**PPM**) functionality.

Synergy agreed that the current definition is appropriate for the purposes of the Code but it should be amended if the Code incorporates PPM functionality. Alinta submitted that the definition should be amended to include entry and exit points for which the metering installation includes a PPM. Alinta’s proposed amendment forms part of its wider proposal in relation to the Code accommodating the installation of PPMs.

It is considered that amendments to the Code are required to address the installation of PPMs and the definition of “connection point” should be amended in line with Alinta’s suggestion. This Recommendations Report addresses PPMs in greater detail in point 2.3.13.

#### “day”

The Issues Paper raised a concern that “day” in the Code is defined as a 24 hour period commencing at midnight, whereas “trading day” in the Customer Transfer Code is defined as a 24 hour period commencing at 8am. The Customer Transfer Code derives its definition from the Wholesale Electricity Market Rules (**the Market Rules**). The National Electricity Market (**the NEM**) defines the trading day as midnight to midnight. The Issues Paper noted that the difference between the definitions in the Code and the Customer Transfer Code can create difficulties for the network operator and retailers when transferring data belonging to a contestable customer who is ‘churning’ between retailers and when the network operator is required to provide market data to the IMO.

Alinta proposed that the definition of “day” should be amended to align with the meaning

in the Market Rules to ensure consistency, including with the Customer Transfer Code. Synergy submitted that it is necessary to achieve alignment between the Code and the Customer Transfer Code in order to give effect to the Code objectives, in particular clause 2.1(1)(c). Western Power proposed that the definition in the Customer Transfer Code be amended to reflect the Code’s definition.

The IMO submitted that its systems are designed for the ‘churn’ of customers to take place at the start of the “trading day”, defined by the Market Rules as 8am. On this basis the IMO recommends that the Code definition is amended to align with the Customer Transfer Code (and therefore the Market Rules). Relevantly, the IMO indicated that it is unsure of the downstream effects of this amendment and suggested that it may be appropriate to include in the Code a distinction between “day” and “trading day”.

Synergy expressed concern that, in this matter, the Market Rules should not drive changes to the metering regime, including the provision of energy data in the NEM12 Data File Format (**the NEM12 file**) and NEM13 Data File Format (**the NEM13 file**) to Code participants, as specified under the Communication Rules (NEM12 and NEM13 files are the NEM’s standard file format for interval and accumulation meters respectively, which have been adopted by Western Power). Synergy submitted that this is fundamentally why the IMO is also a Code participant and the Code places a clear obligation on the network operator to provide the IMO with the same energy data that is provided to the Code participants. Synergy also noted that a change to the definition of “day” in the Code would require retailers to make significant system changes at cost to the retailers. Synergy recommended that the most appropriate way to achieve alignment between the Code and the Customer Transfer Code, and give effect to the Code objectives, is to amend the definition of “trading day” in the Customer Transfer Code.

An amendment to the Code is not recommended. The OOE understands that “day” and “trading

day” are independent concepts with different meanings. The Code’s data validation, substitution and estimation provisions are based on the midnight to midnight calendar (due to the Code’s definition of “day”) and any change to the Code’s definition of “day” will potentially have significant implications for the data systems of network operators and retailers.

An amendment to the Code would also have implications for network operators in complying with the NEM12 and NEM13 files. Within the NEM, Metering Data Providers are appointed to collect, process and deliver metering data to market participants in the file format specified by the Australian Energy Market Operator (**AEMO**). Interval meter data has to comply with the NEM12 file and accumulation meter data has to comply with the NEM13 file.

The Western Australian Wholesale Electricity Market (**the WEM**) and Horizon Power have adopted the NEM12 and NEM13 files (the Communication Rules require historical consumption data to be provided in those files for example). Metering Data Providers would be violating the NEM12 and NEM13 files and be in breach of the agreement with AEMO if historical consumption data was not provided based on a calendar day of midnight to midnight (as adopted by the NEM).

In the interests of consistency with the NEM, and to alleviate the potential confusion caused by having different definitions for “day” and “trading day” in various instruments, it is recommended that consideration be given to amending the definition of “trading day” in the Market Rules and the Customer Transfer Code to align it with the Code and the NEM (i.e. make it midnight to midnight).

#### **“good electricity industry practice”**

The Issues Paper recommended that “enactments” be replaced with “written laws”.

Alinta agreed with the Issues Paper recommendation. Western Power submitted that this definition is non-specific and would benefit from clarification.

It is considered that the definition is sufficiently descriptive to provide Code participants with the appropriate level of guidance and direction on what constitutes “good electricity industry practice”. There is also a need to retain a degree of flexibility with this definition to allow for developments in good practice through amendments to applicable statutory instruments, codes, standards and guidelines. Therefore, it is recommended that “enactments” be replaced with “written laws” only. It is also recommended that “written laws” be defined (see the section “New definitions” on page 15 for the recommended definition).

#### **“load”**

The Issues Paper asked if the Code’s definition should be amended to reflect the Metrology Procedure’s definition. The Code’s definition refers to the amount of electricity being transferred out of the network (the “load”) at a metering point and a connection point. The Metrology Procedure’s definition refers only to the amount of electricity transferred out of a network at a connection point.

Alinta indicated that it may be desirable to continue to define a load at a metering point, as well as at a connection point (which may have multiple meters), as is contemplated by the Code currently. Alinta offered the example that it may be appropriate to permit a “sensitive load” to be identified at a metering point, rather than at a connection point. In addition, Alinta suggested that it is unclear whether amending the definition of “load” would affect data validation, estimation and replacement processes.

It is considered that the benefit in retaining the existing definition outweighs any benefits that may be gained from amending the definition to align with the Metrology Procedure. Potentially there are circumstances where it would be appropriate to measure the “load” at a metering point, particularly if there is more than one metering point on a connection point. Therefore, a Code amendment is not recommended.

**“meter”**

The Issues Paper suggested that this definition may require amendment if the Code is amended to address PPM functionality. The Issues Paper also recommended an amendment to clause 6.8(d) to add a requirement for the systematic treatment of populations of meters in accordance with Australian Standard AS 1284. If this amendment is made, the Issues Paper suggests that the definition may require further amendment to reflect that the meter must comply with AS 1284.

Alinta submitted that the words “but under clause 3.24 does not include a *pre-payment meter*” should be deleted from the definition. Alinta’s proposed amendment forms part of its wider proposal in relation to the Code accommodating the installation of PPMs. Synergy believes the current definition is accurate and appropriate for the current purposes of the Code but it should be amended if the Code incorporates PPM functionality. Western Power suggested that the definitions of “meter” and “revenue meter” should be combined into a single definition of “revenue meter”. The definition should clearly state the metering point as the location and that sub meters are excluded. This would result in one definition for “revenue meter” and one definition for “check meter”.

Amendments to the Code are required to address the installation of PPMs. Accordingly, it is recommended that the words “but under clause 3.24 does not include a pre-payment meter” be removed from the definition. The Recommendations Report addresses PPMs in greater detail in point 2.3.13.

It is also recommended that as this report recommends an amendment to clause 6.8(d) to add a requirement for the systematic treatment of populations of meters in accordance with Australian Standard AS 1284 (see point 2.6.4 for further information) the definition of “meter” should be amended to state that a meter must comply with AS 1284.

Merging the definitions of “meter” and “revenue meter” is not recommended. Whilst each metering installation of Types 1 to 6 contains a single revenue meter, and may also contain a check meter, revenue and check meters are classes of “meter” and references in the Code to “meter” can often relate to both revenue and check meters (also, a metering installation must be classified as a revenue metering installation or a check metering installation). To ensure that the Code retains a degree of simplicity and flexibility it needs to be able to utilise the definition of “meter”. For example, the Code provides for meters that are part of Type 7 metering installations, which do not contain revenue or check meters.

**“metering database”**

The Issues Paper asked whether the definition should be amended to include reference to the registry.

Western Power and Alinta supported amending the definition to include the registry but Synergy submitted that the current definition is adequate.

As clause 4.2 of the Code notes that “the registry forms part of the metering database” and the definition of “registry” includes “the part of the metering database which contains standing data”, the definition of “metering database” should be amended to include reference to the registry. It is recommended that clause 4.1(1) is amended to include the term “the registry”.

**“metering equipment”**

The Issues Paper suggested that this definition may require amendment if the Code is amended to address PPM functionality. The Issues Paper asked whether “meter” should be added to the list of “metering equipment” that a “metering installation” may consist of under clause 3.5.

Alinta submitted that the words “but under clause 3.24 does not include a pre-payment meter” should be deleted from the definition. Alinta’s proposed amendment forms part of its wider

proposal in relation to the Code accommodating the installation of PPMs. Synergy agreed that the definition should be amended if the Code incorporates PPM functionality.

Amendments to the Code are required to address the installation of PPMs. Accordingly, it is recommended that the words “but under clause 3.24 does not include a *pre-payment meter* or any part thereof” be removed from the definition. The Recommendations Report addresses PPMs in greater detail in point 2.3.13.

#### “metering installation”

The Issues Paper asked whether the definition should be amended to include Type 7 metering installations and suggested that the definition will require amendment if the Code addresses PPM functionality.

Alinta submitted that the words “(excluding under clause 3.24 any of the devices and methods of the purpose of metrology in connection with a *pre-payment meter*)” should be deleted from the definition. Alinta’s proposed amendment forms part of its wider proposal in relation to the Code accommodating the installation of PPMs. Synergy believes the current definition is accurate and appropriate for the purposes of the Code but it should be amended if the Code incorporates PPM functionality. Western Power submitted that clause (a) of the definition should be expanded to read that “... (a) at one boundary, a *metering point* - should be specific to the point of boundary within the metering point and not extend upstream or outside the *metering point*, and...”.

It is considered that amendments to the Code are required to address the installation of PPMs. Accordingly, it is recommended that the words “(excluding under clause 3.24 any of the devices and methods of the purpose of

metrology in connection with a *pre-payment meter*)” be removed from the definition. The Recommendations Report addresses PPMs in greater detail in point 2.3.13.

It is considered that the definition does not require amendment to include Type 7 metering installations. The Code’s definition of “metering point” addresses Type 7 metering installations and the definition of “metering installation” refers to the “metering point” as one of its boundaries.

In relation to Western Power’s proposal, it is considered that as the Code defines “metering point” adequately an amendment to the definition of “metering installation” is not required.

#### “NMI”

The Issues Paper asked whether the definition should be amended to ensure it is consistent with NMI Allocation Procedure for the Western Australia Electricity Market (**the NMI Allocation Procedure**).

Alinta indicated that it may need to be clarified whether a connection point could have more than one metering point, and whether a NMI would be assigned to all metering points or only to connection points. Western Power supported the amendment of the definition to align it with the NMI Allocation Procedure.

It is recommended that the definition is amended to ensure consistency with the NMI Allocation Procedure. In relation to Alinta’s comments, it is noted that clause 2.3 of the NMI Allocation Procedure states “If meters in an embedded network<sup>1</sup> are read by WP Networks and are likely to measure consumption for customers individually, these meters will be allocated their own NMI and will be marked as child NMIs to a parent NMI on a master meter. Otherwise, one NMI will be allocated to all the meters”.

<sup>1</sup> An embedded network is normally a distribution system to which customers are connected that is not owned, operated or controlled by a network operator licensed by the Authority. An example of an embedded network is a distribution system located in a strata title housing complex used to distribute and on-sell electricity to residents.

Consequential amendments to clause 5.19(2) are also recommended to reflect that a NMI is allocated to a connection point.

#### “revenue meter”

The Issues Paper raised the fact that there is a difference between the definition in the Code and the definition in the Metrology Procedure. The Issues Paper concluded that the Code’s definition does not require amendment.

Synergy supported the Issues Paper’s conclusion but Western Power submitted that the definition should be amended to read “means, subject to clause 3.13(5), a device complying with this Code which measures and records electricity production and/or consumption and is the source of *energy data* at a *metering point*. This does not include a prepayment meter or sub meter.” It is noted that Western Power has submitted that the definitions of “meter” and “revenue meter” should be combined to form its proposed new single definition of “revenue meter”.

This report addresses Western Power’s suggested amalgamation of the two definitions under the “meter” heading on page 11. The report concludes that it is not considered appropriate to merge the definitions of “meter” and “revenue meter”. Also, it is not considered appropriate to amend the definition of “revenue meter” in accordance with Western Power’s proposal. A revenue meter is a class of meter and therefore the definition should refer to a revenue meter being a “meter” (as it does now). The Code does not expressly provide for sub-meters, therefore it is not necessary to refer to them in the definition of revenue meter (or any other definition). A PPM is a revenue meter with enhanced technology features and therefore it is not considered appropriate to restrict the definition of revenue meter to meters other than PPMs (it is also noted that this report recommends a series of Code amendments to provide for the installation of PPMs).

## New definitions

### “Australian Standards”

A number of recommendations in this report recommend amendments that will include making reference in the Code to the AS 1284 series of Australian Standards. It is recommended that the Code define “AS” as “followed by a designation means a standard so designated published by Standards Australia Limited and current as at the Code’s commencement date”.

### “meter reading”

Western Power submitted that the Code needs to define “meter reading”. It suggested “meter reading means collection of energy data by physical observation or remote communications by the Network Operator (including its service provider), or a Customer.”

It is considered that the Code does not require amendment to define “meter reading”. The Code and approved documents adequately define and provide for the obtaining of energy data from a metering installation. It is also noted that there are various types of meter readings that can take place and Western Power’s proposed definition is likely to address actual meter readings only.

### “net metering”

Synergy proposed that the Code be amended to indicate that electricity production from small renewable energy systems shall be measured and recorded on a net basis. That is, the meter will record the net energy transferred into the network that is surplus to the energy being consumed at the premises. Synergy recommended that the Code include a definition that is aligned with the definition in the Renewable Energy Buyback Scheme (**REBS**).

A meter is defined by the Code as “a device complying with this *Code* which measures and records *electricity* production or consumption”. Clause 3.2(1) states that accumulation meters

must at least display “accumulated *electricity* production or consumption at the metering point”. A “metering point” is the point at which a revenue meter measures electricity transferred at the connection point to or from the network (a “connection point” is the point of entry or exit to the network). As the Code provides for the minimum requirements that a metering installation must meet, the Code does not preclude a meter from recording “accumulated electricity production and consumption”. Therefore, meters that record energy exported into a network that is in excess of the total consumption at the time of production are compliant with the Code (i.e. meters can record the total net transfer in each direction).

The Code provides for a Metrology Procedure, with clause 6.8 setting out its requirements. Amongst other things, a Metrology Procedure must at least, as a minimum, contain information on the devices and methods that are used by a network operator to measure, or determine by means other than a device, electricity produced and consumed at a metering point (clause 6.8(a) (i)). As there are meters on the SWIS and non-SWIS networks that record electricity production on a ‘net’ basis, and this form of measurement is not expressly defined in the Code or Metrology Procedure (but is not prohibited by the Code), it is recommended that the Authority considers defining ‘net metering’ in the Metrology Procedure to clarify how it is calculated and provide certainty to Code participants.

It is noted that the Issues Paper recommended that, to ensure consistency between the Code and documents approved by the Authority under the Code, the approved documents should be reviewed by the Authority in line with the Code’s procedural requirements once any Code amendments have been made.

#### “small-use customer”

Recommendation 39 in this report recommends that the Code define “small-use customer” for the purposes of requiring a network operator to publish annual performance reports.

It is recommended that the Code define “small use customer” as a customer who consumes not more than 160 MWh of electricity per annum.

#### “sub meter”

Western Power submitted that the Code needs to define “sub meter”. It suggested “sub meter” means “a *meter* connected on the customer’s installation, but not at the *metering point* and does not form part of the *metering installation*. A sub meter is not a *Revenue Meter*”.

The Code does not expressly provide for sub-meters, therefore it is not considered necessary to refer to them in the Code (see point 2.3.4 for further information on the scope of the Code in relation to sub-meters).

#### “written laws”

It is recommended that “written laws” be defined as all Western Australian Acts and subsidiary legislation and all Commonwealth Acts and subsidiary legislation that are in force.

### Recommendation 1

Amend the following definitions:

#### “Code of Conduct”

Amend to reflect that:

- the *Code of Conduct For the Supply of Electricity to Small Use Customers 2004* has been updated; and
- the Customer Code is now made by the Authority under section 79 of the EI Act, not the Minister (the Minister made the inaugural Customer Code in 2004 but subsequent versions have been, and will be, made by the Authority).

#### “connection point”

Amend to incorporate an entry point or an exit point for which the metering installation includes a PPM.

**“dispute”**

Remove from the Code (see Recommendation 47 for further information).

**“disputing party”**

Remove from the Code (see Recommendation 47 for further information).

**“generator”**

Replace reference to “section 31A of the *Electricity Corporation Act 1994*” with “section 62 of the *Electricity Corporations Act 2005*”.

**“good electricity industry practice”**

- Replace “enactments” with “written laws”.
- For consistency, it is recommended that all references in the Code to “enactments” be replaced with “written laws”.

**“meter”**

- Delete the words “but under clause 3.24 does not include a *pre-payment meter*”.
- Add “and the relevant requirements of the AS 1284 series of standards” after “means a device complying with this *Code*”.

**“metering database”**

Amend clause 4.1(1) to include the “registry”.

**“metering equipment”**

Delete the words “but under clause 3.24 does not include a *pre-payment meter* or any part thereof”.

**“metering installation”**

Delete the words “(excluding under clause 3.24 any of the devices and methods of the purpose of metrology in connection with a *pre-payment meter*)”.

**“metropolitan area”**

Amend the definition to reflect the definition of “metropolitan area” in the Customer Code. This means the amended definition will refer to the region described in Schedule 3 of the *Planning and Development Act 2005* and the townships as constituted under section 26 of the *Land Administration Act 1997*.

**“network operator”**

- Replace reference to “*Electricity Corporation Act 1994*” with “*Electricity Corporations Act 2005*”.
- Replace “enactments” with “written laws”.

**“NMI”**

Replace “metering point” with “connection point”.

**“retailer”**

- Replace reference to “*Electricity Corporation Act 1994*” with “*Electricity Corporations Act 2005*”.
- Replace “enactments” with “written laws”.

Include the following new definitions:

**“Australian Standards”**

It is recommended that the Code define “AS”, as “followed by a designation means a standard so designated published by Standards Australia Limited and current as at the Code’s commencement date.”

**“small-use customer”**

It is recommended that the Code define “small use customer” as a customer who consumes not more than 160 MWh of electricity per annum.

**“written laws”**

It is recommended that “written laws” be defined as all Western Australian Acts and subsidiary legislation and all Commonwealth Acts and subsidiary legislation that are in force.

## 2.1.2 New Code participants

### Summary

Clause 1.2 prescribes who the Code applies to (a “Code participant”). Documents approved under the Code also apply to Code participants where relevant. The Issues Paper raised the issue of non-Code participants (primarily participants in the WEM) participating in operations that are covered by the Code or an approved document. In order to do this they would have to become a Code participant. In order to facilitate requests from non-Code participants to become Code participants the Issues Paper asked whether clause 1.2 should be amended to allow the Minister to approve applications to become a Code participant.

### Responses to the Issues Paper

Synergy submitted that it would support such an amendment providing there are a number of clearly defined processes in place to support the various stages of the application and approval processes. For example, Synergy suggested there should be processes for applying to become a Code participant and for existing Code participants to comment on the application. Synergy commented that there will need to be a clear and effective mechanism to monitor and enforce the new Code participants’ compliance with the Code. For existing Code participants the electricity licensing regime, and associated reporting mechanisms, administered by the Authority provide for monitoring and compliance with the Code by licensees. Synergy expressed concern that Code participants incur significant costs in order to meet their reporting and compliance obligations under their respective licences, including compliance with the Code. Synergy submitted that there are no good reasons why new Code participants should not incur similar costs associated with complying with the Code.

### The OOE’s response to the submissions

There is concern that as enforcement of the Code is provided through the licensing regime,

there would be no mechanism to monitor and enforce compliance with the Code by a non-Code participant that is not a licensee or person operating under a licence exemption but subsequently becomes a Code participant.

For the proposed amendment to be implemented effectively significant changes to the Code would likely be required which would potentially have to be tailored to each new Code participant’s circumstances. This is not considered an appropriate way to administer the Code.

It is also noted that this amendment was raised with the OOE due to the Code’s restrictions on the disclosure of data to third parties. This report recommends a number of amendments to facilitate the disclosure of data to non-Code participants to alleviate those restrictions.

### Recommendation 2

A Code amendment is not recommended.

## 2.1.3 Publication of approved documents and meaning of “publish”

### Summary

Clause 6.18 states that a network operator must, within 10 days after notification of the Authority’s approval of a document, publish the approved document. Clause 1.6 describes the meaning of “publish” as placing the document on an “internet website under the person’s control” and notifying various stakeholders of the publication. However, there is no express requirement to maintain the document on the website once it has been published. There is also no mention in the Code of a requirement to publish any amendments to an approved document (although the Authority must publish its final findings under clause 6.20(3)(c)(i) in relation to reviewing a document to determine if it requires an amendment).



It may be possible to interpret clause 1.6 as there being an implied requirement to maintain the document on the website but it is not clearly defined. This uncertainty may affect the validity of an approved document.

The issue of publishing approved documents under the Code (and consequently the issue of whether the document is valid) is an issue shared by the Customer Transfer Code. Under the Customer Transfer Code this issue relates specifically to the Communication Rules (the Customer Transfer Code requires a network operator to submit Communication Rules to the Authority for approval). However, the Customer Transfer Code does not require a network operator to publish its approved Communication Rules, maintain the currency of or public accessibility to its published Communication Rules (or any revisions to the Communication Rules).

### Responses to the Issues Paper

Alinta, the IMO, Synergy and Western Power all supported an amendment to the Code to clarify that the requirement to publish a document on a person's website includes maintaining it on the website once it has been published. The same submissions also all supported an amendment that requires a person to publish revised versions of a document (and maintain the document on the website). In addition to supporting this amendment to the Code, Synergy also commented that it is important that the requirement to publish and maintain a document on a person's website must be subject to the Authority's approval of the document or amendments to the document.

A number of submissions supported amendments to the Customer Transfer Code to include requirements similar to those in the Code in respect of publishing the Communication Rules. However, Synergy suggested that an amendment to the Customer Transfer Code may not be necessary. Synergy noted that clause 1.5(1) of the Code states that "two enactments are not inconsistent with each other merely because

they prescribe different standards of conduct if a person is able to comply with both enactments by complying with the one which prescribes the highest standard of conduct".

Synergy believes that the proposed amendments to the Code concerning the publication of documents (which includes the Communication Rules) will ensure that the network operator's obligation to publish and maintain its Communication Rules on its website will be met. Synergy indicated that it is important that the standards to develop and publish the Communication Rules continue to be defined and managed in a single place. This place should be the Metering Code and is the most effective way to give effect under the Code to clauses 6.5(g) and 6.7(1) and the Code objectives.

### The OOE's response to the submissions

The Code defines "publish" as placing the document on an "internet website under the person's control" and notifying various stakeholders of the publication. An interested party may not have access to the internet or may live in a location with poor internet access that precludes the downloading of large documents.

To "publish" a document should mean that a network operator has to make its documents publicly available in appropriate formats such that they are accessible to any interested party. This may be on the network operator's website but may also involve making documents available for viewing at the network operator's place of business during normal office hours.

### Recommendation 3

It is recommended that clause 1.6 be amended to expand the meaning of "publish" to include making the document publicly available in an appropriate format so that it is available to any interested party and maintaining the availability of the document once it has been published. The minimum requirement will be publication on the internet and the availability to the public of copies

at no cost at the network operator's place of business during normal office hours.

It is recommended that clause 6.20(4) be amended to stipulate that the network operator must "publish" the amended document once the document has been amended in accordance with the Authority's final findings.

A consequential amendment to the Customer Transfer Code is also recommended.

## 2.1.4 Exemptions from Code provisions

### Summary

The OOE has received requests from electricity licensees for exemptions from provisions of the Code that they believe should not apply to them due to the nature of their operations.

In some instances these licensees may not be able to comply with certain provisions of the Code or certain requirements placed by the Code on a network operator are not relevant to the network operator's operations.

For example, it may not be necessary for a person who operates a network to distribute power to their mining facility to have to comply with the same Code provisions as an electricity utility like Western Power, which supplies third parties.

As it is a condition of every electricity licence issued by the Authority that the licensee must comply with the Code, this has the consequence of the licensee potentially being non-compliant with its licence. A licensee also has significant compliance costs and these can be exacerbated by having to be audited on compliance with Code clauses that are not relevant to their operations. This is economically inefficient and poor regulatory practice.

### Responses to the Issues Paper

TransAlta Energy (Australia) Pty Ltd (**TransAlta**) expressed concern that there is no provision for exemption from requirements of the Code. TransAlta submitted that if a Code participant is repeatedly reporting non compliance with a particular clause of the Code, and no action is deemed necessary by the Authority to rectify that non compliance, it is logical to conclude that the Code is being applied beyond reasonable boundaries.

TransAlta proposed either a limiting of the application of the Code or provision within the Code for application by a Code participant for exemption from specific clauses of the Code.

### The OOE's response to the submissions

The OOE recognises there is benefit in requiring licensees to comply only with the Code provisions that are relevant to their operations. Indeed, the licensing regime was devised by the Government to ensure the Authority had flexibility in setting terms and conditions of a licence to account for a licensee's individual and operational circumstances. Under section 11(1) of the EI Act the Authority has the power to impose a licence condition that requires compliance with only specific provisions of the Code. Under the EI Act, licences of the same classification and licence area must be "substantially similar", except to the extent that the Authority considers that it is not practicable, or "a difference is necessary to reflect particular supply circumstances".

It is noted that the under the *Electricity Industry (Licence Condition) Regulations 2005* it is a condition of every licence to which regulation 5A applies "that the metering of the supply of electricity must be undertaken in accordance with the procedures and arrangements set out in the *Electricity Industry Metering Code 2005*".

Regulation 5A applies to:

- a transmission licence, distribution licence or an integrated regional licence held by a relevant corporation;
- a retail licence or an integrated regional licence that authorises the sale of electricity transported through a transmission or distribution system operated by a relevant corporation; and
- a generation licence or an integrated regional licence that authorises the operation of generating works connected to a transmission or distribution system operated by a relevant corporation.

If regulation 5A does apply then compliance with the Code in accordance with the regulation is a condition of the licence by operation of the regulation and the Authority cannot exempt those licensees from provisions of the Code.

There is the possibility of the Code exempting persons from clauses in the Code but using the Code as a mechanism to exempt specified Code participants / licensees from provisions of the Code does not provide for the same degree of flexibility and effectiveness as the licensing regime can provide. For example, flexibility is required to allow for the determination on a case by case basis whether a person should comply with specific provisions of the Code. This will enable the regulatory framework to meet the different operational circumstances of licensees (and be able to more easily adapt to any change in circumstances of the licensee).

The OOE proposes to liaise with the Authority to resolve this issue. It is envisaged that licences will be issued that reflect specific circumstances of licensees, with the Authority determining the appropriate terms and conditions of a licence.

#### Recommendation 4

A Code amendment is not recommended.

## 2.2 Code Objectives and Arms-length Treatment

### 2.2.1 Arms-length treatment

#### Summary

Clause 2.2(1) requires that “A network operator must treat all Code participants that are its *associates* on an arms-length basis”. A network operator must ensure that no Code participant that is its associate receives a benefit in respect of the Code unless the benefit is attributable to an arms-length application of the Code to the Code participant or the network operator also makes the benefit available to all other Code participants on the same terms and conditions.

In some cases where a retailer is an “associate” of a network operator, the retailer may be the sole retailer on the network (the retailer and network operator may be part of the same body corporate). Concern has been raised that where there is only one retailer on a network and that retailer is an associate of the network operator clause 2.2 delivers no benefit by requiring the network operator to treat the retailer at arms-length.

#### Responses to the Issues Paper

The issue was not addressed in the Issues Paper but was raised with the OOE as part of a separate matter outside of this process.

Western Power commented that it understands clause 2.2 was put in place to handle the situation prior to the disaggregation of Western Power and it needs to be considered whether “arms length treatment” is required.

#### The OOE’s response to the submissions

It is questionable whether clause 2.2 should apply to a network operator who has only one retailer (its associate) on its network (indeed, it may not be possible for the arms-length treatment to occur

due to the commercial relationship between the network operator and retailer).

The benefits derived from applying the principle of arms-length treatment to this situation are minimal and consequently place unnecessary requirements on those network operators caught by clause 2.2. There are unlikely to be any business needs that require the network operator under the Code to establish arms-length treatment with a retailer that is its associate until another retailer becomes available on the network.

The Code came into effect after the disaggregation of Western Power, and was intended to support disaggregation. The OOE believes there remains justification for retaining clause 2.2. The Code needs to contemplate circumstances where a network operator has an “associate” retailer and also has other retailers on its network. It is considered desirable for the network operator to be required to treat all the retailers on its network equally as it will promote competition and not act as a barrier to the entry of other retailers into the WEM.

#### Recommendation 5

It is recommended that clause 2.2 be amended so it does not apply to network operators who have only one retailer on their network.

## 2.3 Meters and Metering Installations

### 2.3.1 Meter registers

#### Summary

The Issues Paper considered whether a Type 6 accumulation meter on which the network operator is collecting interval data needs to display Time Of Use (**TOU**) registers (both import and export as applicable), or, as clause 3.2(1) states, “accumulated electricity production or consumption”; which could be interpreted as the total consumption or production using “all time registers”.

#### Responses to the Issues Paper

Alinta submitted that it is clear that the Code contemplates that Type 6 “accumulation meters” may be capable of recording interval data, irrespective of whether the meter is actually an accumulation or an interval meter, and the meter must at least be capable of displaying accumulated electricity production or consumption. The meter may also display any other information that is deemed necessary. However, to the extent that the retailer requires such a meter to display additional information, it would be expected that the retailer would be responsible for the cost of providing this additional information (or functionality). Alinta also noted that clause 3.2(2) states that a network operator may install a meter with interval energy data storage capability and other enhanced technology features but (by recording it as an accumulation meter in the registry) declare it to be an accumulation meter and only record the accumulated energy data registered by the meter.

Infigen Energy submitted that it is in favour of “all time” registers if it maximises the available information captured by meters.

Synergy recommended that the Code must make it clear that where the network operator uses a Type 6 meter to collect TOU energy data then the

meter must display TOU registers. In addition, Synergy also recommended that the Metrology Procedure currently does not adequately describe the minimum requirements for accumulation meters and it is necessary for the Metrology Procedure to describe the display requirements of meters.

Western Power proposed that there should be no obligation on the network operator to provide TOU registers. The only obligation for accumulation meters where interval data is being collected is for “all time” registers.

#### **The OOE’s response to the submissions**

The Code adequately provides for meters to display TOU registers when TOU energy data is being collected. For example, Division 3.4 allows a Code participant and a network operator to agree to use meters with enhanced technology features. These features include “multiple registers for accumulated Wh, on-peakWh, off-peak Wh, VAh, VARh, kW, kVA”.

The Code prescribes minimum requirements. A “meter” is defined by the Code as “a device complying with this Code which measures and records electricity production or consumption”. This means that a meter can record electricity production and consumption, and a meter can (to support TOU tariffs) record electricity production and consumption occurring at set times of the day, as this exceeds the Code’s minimum requirements.

If a customer is on a TOU tariff provided by the retailer and a meter is required that exceeds the Code’s minimum requirements, it is for the retailer to arrange with the network operator, under the MSLA or relevant service level agreement, for the meter to be capable of accurately measuring electricity production and / or consumption to meet the requirements of the relevant tariff.

#### **Recommendation 6**

A Code amendment is not recommended.

### **2.3.2 Accumulated electricity production and consumption**

#### **Summary**

In relation to bi-directional metering, the Issues Paper considered whether “accumulated electricity production” in clause 3.2(1) needs clarification as the meter (in Synergy’s current REBS configuration) can display accumulated net production only.

#### **Responses to the Issues Paper**

Alinta submitted that the Code did not contemplate that Type 6 meters should be capable of separately registering and recording flows in each direction if bi-directional electricity flows occur. Alinta would be concerned if the Code were to be amended simply to accommodate commercial decisions made by retailers to develop and market retail products without ensuring that the metering infrastructure to be installed as part of the retail produced met the requirements of the Code.

To give certainty to customers and retailers, Synergy recommended that the Code should be amended to indicate that electricity production from small scale renewable energy systems shall be measured and recorded on a net basis (the meter will record the energy exported to the grid that is surplus to the energy consumed at the premises at the time of production). Synergy also submitted that the clarification of “accumulated electricity production” would also need to apply if generation needs to be measured on a TOU basis.

Western Power proposed that for bi-directional metering, accumulated electricity production under the Code should mean “net accumulated electricity production to the network when production exceeds consumption”

#### **The OOE’s response to the submissions**

This issue is addressed under the ‘net metering’ heading on page 13.

### Recommendation 7

A Code amendment is not recommended.

### 2.3.3 Meters that can run backwards and bi-directional flow

#### Summary

Electromechanical meters have the capacity to run backwards during periods of net export. This in effect results in the customer being paid for their exports at the full retail price of electricity and no proper mechanism existing to record the amount of energy being exported into the network. The Issues Paper asked whether the Code should be amended to ensure that meters are not permitted to run backwards and if a customer wishes to export energy into the network their meter must be capable of separately measuring imported and exported energy.

#### Responses to the Issues Paper

Alinta submitted that clause 3.2(1) makes it clear that Type 6 accumulation meters are not permitted to run backwards and it is also clear that the Code did not contemplate Type 6 accumulation meters being capable of separately registering and recording flows in each direction if bi-directional electricity flow occurs (in contrast to Type 1 to Type 5 metering installations where bi-directional flow is specifically provided for in clause 3.16). Alinta does not consider it is necessary to amend the Code to provide for optional functionality given that Division 3.4 already identifies bi-directional (multi quadrant) energy measurement as an enhanced technology feature of metering installations. Alinta also pointed out that the Code prescribes the minimum requirements for metering installations and the Code does not restrict the type of installation that may be installed at connection points where the annual consumption is less than 50MWh per annum provided the installation at least meets the requirements of the Code.

Horizon Power and the IMO supported a requirement that all metering installations must be capable of separately registering and recording flows in each direction if bi-directional flow occurs.

Synergy submitted that an electromechanical meter that runs backwards due to the transfer of electricity into the network is contrary to the Code objectives (see clause 2.1). Synergy recommended that the Code should make it clear that, for an electromechanical meter, the network operator must not install a meter that will operate contrary to the Code objectives when electricity is being transferred into the network (run backwards) or approve the installation of equipment that will cause a meter to operate contrary to the Code objectives. Synergy also submitted that if the network operator is required to change a meter it should consult with the retailer and customer and get confirmation that the customer is happy to pay for the cost of the meter change in order to continue to have their generation equipment connected to the network. Synergy submitted that the Code should make it clear that metering installations with an annual consumption of less than 50MWh should be capable of separately registering and recording flows in each direction if bi-directional electricity flows occur.

Western Power recommended that the Code should specify that meters are not permitted to run backwards by stipulating that if bi-directional energy flow occurs, the metering installation must be capable of separately registering energy flow from the network and energy flow to the network (when it exceeds consumption). Western Power also submitted that the Code should provide that the customer must pay any costs incurred by the network operator to ensure the meter is capable of recording bi-directional electricity flow.

#### The OOE's response to the submissions

It is noted that the statements of objectives in clause 2.1 are general statements that do not specify compliance requirements. Rather, the objectives are to aid in the interpretation of the Code.

Clause 3.2(1) requires “an *accumulation meter* must, at least, conform to the requirements specified in the applicable *metrology procedure* and display, or permit access to a display of, the accumulated *electricity* production or consumption at the *metering point*...” An argument that the Code prohibits accumulation meters from running backwards would require an interpretation that “accumulated electricity production or consumption” precludes “accumulated electricity production and consumption”. As the Code provides for the minimum requirements that a metering installation must meet, the Code does not preclude an accumulation meter from recording “accumulated electricity production and consumption”. Indeed, Division 3.4 allows for a Type 6 accumulation meter to be fitted with “bi-directional (multi-quadrant) energy measurement” functionality.

The Model Service Level Agreement (the **MSLA**) provides for the provision of metering services by the network operator to the retailer on request and this includes meter changes or the reconfiguration of an existing meter. The retailer must pay the network operator’s charges, as prescribed by the MSLA, for providing the extended metering service of changing or reconfiguring a meter and may pass these charges on to its customer if it is allowed to. Therefore, meter changes to accommodate a particular requirement are carried out by agreement between the network operator and the retailer; and the customer can ultimately be made responsible for the associated costs (for example, when the customer has requested a meter reconfiguration to activate bi-directional functionality to support the installation of a small-scale renewable energy system).

It is considered that the regulatory environment provides an adequate framework to ensure Type 6 metering installations are capable of recording bi-directional energy flow if it occurs (and for the customer to be responsible for costs). It is not considered necessary to amend this approach (notwithstanding the recommendation to amend the Code to ensure meters are prohibited from running backwards).

### Recommendation 8

It is recommended that the Code be amended to expressly prohibit a meter on a network from running backwards. This amendment will apply only to meters that are installed after the Code is amended.

### 2.3.4 Sub-meters

#### Summary

The Issues Paper asked whether the Code needs amending to make it explicitly clear who owns a sub-meter (and is therefore responsible for its maintenance) and whether sub-meters are, for the purposes of the Code, connected to the network.

In 2000 Western Power stopped issuing and installing sub-meters and advised customers that if they wanted a sub-meter they would need to purchase, arrange for installation and read it themselves. However, before this time, Western Power issued, installed and read sub-meters; and continues to read the sub-meters that it installed.

If the Code is to specify that sub-meters are owned by the customer, and are outside the scope of the Code, the Issues Paper questioned whether ownership of Western Power owned sub-meters installed pre-2000 should be transferred to the customers.

#### Responses to the Issues Paper

Alinta and Synergy submitted that the Code is clear that it does not apply to sub-meters and Alinta asked whether Western Power’s obligations in respect of the operation and maintenance of legacy sub-meters are matters more appropriately resolved through commercial negotiations between the customer or retailer and the network operator.

Western Power believes the Code does require amending to clarify that it does not apply to sub-meters. Western Power also stated that it

reserves the right to develop its policy on the future direction of the sub-meters it owns.

Synergy commented that its customers on the South-West Interconnected System (**the SWIS**) are required to be metered and serviced in accordance with the requirements of the Code. This creates a fundamental difference between a retailer's customer and a consumer with a sub-meter who is not metered or regulated under the Code. Synergy submitted that the government needs to give consideration to a range of matters concerning the regulation of sub-meters, not just ownership, to provide certainty and protection to consumers who may incur billing transactions based on a sub-meter.

The Western Australian Council of Social Services (**WACOSS**) highlighted a similar issue to the issue raised by Synergy, explaining that customers with sub-meters do not fall within the remit of the Customer Code as regulation occurs at the master meter and the owner of the master meter is exempted from needing a licence to on-sell electricity from that meter.

WACOSS confirmed that these consumers are prevented from being able to access concession and rebate entitlements as well as financial hardship assistance. WACOSS submitted that the OOE must consider, in its review of the Code, how it can increase consumer protection to customers with sub-meters. WACOSS also expressed concern about the costs associated with the maintenance of sub-meters being passed to customers and opposed customers being considered the owner of the sub-meter.

#### **The OOE's response to the submissions**

Under clause 1.2, the Code applies to certain persons only. A network operator is only a Code participant to the extent that a condition of a licence or exemption under the EI Act requires it to comply with the Code. Consequently, if a sub-meter is on a network operated by a network operator that is not a Code participant it will not be governed by the Code.

Clause 3.4 states "A network operator owns each meter on its network..." If a sub-meter meets the requirements of clause 3.4 and is on a network operated by a Code participant it is considered reasonable to require the network operator to maintain that meter in accordance with the provisions of the Code. Therefore, a Code amendment to clarify that the Code does not provide for sub-meters is not considered appropriate.

Where Western Power's sub-meters are not on its network (and not on any other network operated by a Code participant) then the Code does not apply to those sub-meters. If Western Power wishes to transfer ownership and responsibility for its sub-meters that are not on its network to another person, that is a decision for Western Power.

Customers with sub-meters who are not customers of licensed utilities do not fall within the remit of the Customer Code or the Energy Ombudsman's Scheme. Customers with sub-meters are normally customers of suppliers who on-sell electricity under the authority of a licence exemption. Section 39(2)(a) of the EI Act provides for a code to make provision for "metering of the supply of electricity by licensees", including "the provision, operation and maintenance of metering equipment" and "ownership of and access to metering data". The Code is therefore not able to address the consumer protection issues that Synergy and WACOSS raise.

The Government Utilities Essential Service Hardship Interagency Working Group (**the Working Group**) was established in 2007 to provide Government with advice on the issues surrounding essential utility services financial hardship and recommend ways to improve the Government's and utilities' hardship policies and programs. One of the issues the Working Group is considering is the many essential services required by consumers living in group housing who are not direct customers of licensed utilities and, as a result, often do not have access to Government utility rebates and hardship programs.



### Recommendation 9

A Code amendment is not recommended.

It is recommended that the Government develop a policy framework and associated legislation to provide protection to electricity consumers who are not direct customers of a licensed retailer. The framework should also address the interests of residential and commercial on-sellers.

### 2.3.5 Ownership and maintenance of the components of a metering installation

#### Summary

Under clause 3.5(3) a network operator is required to maintain the metering installation but under clause 3.5(7) a network operator is not required to maintain any metering equipment owned by the user or the user's customer (such as the current transformer (**CT**), voltage transformer (**VT**), boards and panels).

The Issues Paper asked whether the Code needs to specify that the user or customer is responsible for maintaining metering equipment that it owns but the network operator determines maintenance and testing requirements. The Issues Paper also asked if provision needs to be made to provide the network operator with authority to ensure a user or customer's metering equipment is compliant with the relevant rules and standards.

#### Responses to the Issues Paper

Alinta believes the obligation imposed by clause 3.5(9) of the Code (once it is amended to include the phrase "...the non-compliance") already provides the network operator with authority to ensure a user or customer's metering equipment is compliant with the relevant rules and standards. In combination with clause 3.5(7), it is clear that the network operator is not responsible for maintaining that metering equipment that it does not own.

Horizon Power recommended that the testing of CTs and VTs should be aligned with the testing requirements of the meter and the Code should provide the network operator with the ability to request that the testing of customer owned CTs and VTs be conducted by the customer (and in the absence of a complying test being undertaken, the network operator should have the right to undertake the test and charge the customer for the reasonable cost of the test).

Infgen Energy recommended that the Code should clarify that the user or customer is responsible for maintaining metering equipment that it owns to network operator determined maintenance and testing requirements; and provision should be made to give the network operator the authority to ensure metering equipment it does not own is compliant with relevant rules and standards.

Synergy submitted that any proposed arrangements need to make clear the responsibilities and ownership of the asset, functions and services associated with the meter. The network operator may have a key role in monitoring and ensuring compliance to technical and safety standards.

Western Power recommended an amendment to clause 3.5(7) that "the *network operator* shall be responsible for the maintenance and testing requirements under a SLA between the *user* or *user's customer*" and "It will be the *network operator's* responsibility to publish on its website an approved transformer asset management system, and that the *user* or *user's customer* are aware of the obligation to comply with it".

#### The OOE's response to the submissions

The Code does not require the network operator to correct non-compliant metering equipment that it does not own. Whether or not the network operator is authorised to do this will depend on the terms of the service level agreement or other contractual arrangements with the user or customer.

The Code cannot provide for a customer to pay any charges imposed by the network operator for maintaining metering equipment owned by the customer as the Code does not apply to customers. For the same reason, the Code cannot compel a customer to enter into a service level agreement with a network operator to provide for the maintenance of customer owned metering equipment.

Western Power's Technical Rules and the Western Australian Distribution Connection Manual (**the WADCM**) provide Western Power (and Horizon Power in the case of the WADCM) with the means to ensure customer or user owned metering equipment connected to a relevant transmission or distribution network is installed, maintained and tested to a prescribed standard. The Western Australia Electrical Requirements also provide for the connection of customer owned equipment to a distribution network of Western Power or Horizon Power.

#### Recommendation 10

A Code amendment is not recommended.

### 2.3.6 Including the "meter" in clause 3.5

#### Summary

The requirements for a metering installation under clause 3.5 prescribe the various types of metering equipment that may make up an installation but do not include the meter itself. The Issues Paper asked whether clause 3.5 should be amended to include reference to the meter, as it forms part of the metering installation.

#### Responses to the Issues Paper

Alinta and Synergy submitted that the Code does not require amendment. Alinta pointed to the fact that under clause 1.3 "metering equipment" means "a part of a *metering installation* and includes a *meter*". Synergy pointed to clause 1.4(2)(g)(i) which specifies that a metering installation includes a meter.

Western Power submitted that clause 3.5(2) should be expanded to include reference to a "revenue meter".

#### Recommendation 11

A Code amendment is not recommended.

### 2.3.7 Non-compliant metering installations

#### Summary

Under clause 3.5(9)(b) if a network operator becomes aware that a metering installation does not comply with the Code, the network operator must advise affected parties of the non-compliance and arrange for the non-compliance to be corrected as soon as practicable following the network operator becoming aware of it. The network operator's obligations under this clause are set out in broad terms and the issue is whether the clause provides adequate certainty to retailer and customer that the reason for the non-compliance will be resolved in a timely manner.

The Issues Paper asked whether the Code is the appropriate mechanism to provide certainty to retailers and customers that a non-compliant metering installation will be corrected in a timely fashion, or whether this is a matter for the service level agreement between the network operator and retailer as it relates to the network operator providing a metering service to a prescribed standard.

It is noted that clause 3.5(9)(b) is incomplete. It is considered that the sentence should finish with "the non-compliance". Currently it reads, "arrange for the non-compliance to be corrected as soon as practicable following the network operator becoming aware of".

#### Responses to the Issues Paper

Alinta acknowledged that incidences of non-compliance are likely to provide different issues to address for the network operator and / or the

user or customer and Alinta considers it would be inappropriate to attempt to be prescriptive in the Code on a timeframe within which non-compliance is to be resolved. Alinta considers any rectification of non-compliance to a matter for a service level agreement between the network operator and retailer. Wester Power supported Alinta's view by recommending that any timeframes within which non-compliance is to be resolved should be addressed by a service level agreement.

Horizon Power recommended that clause 3.5(9)(b) should clarify that "If a network operator is an integrated provider (as defined in the Access Code), a reference in clause 3.5(9)(b) to the network operator does not include the integrated provider".

Synergy expressed concern that clause 3.5(9)(b) is too broad and does not provide adequate certainty to users as to when the non-compliance will be addressed. Synergy submitted that there needs to be a positive obligation in the Code on the network operator to rectify a faulty metering installation as currently there is not sufficient incentive for the network operator to effectively address the non-compliance and ensure that Synergy does not suffer a breach of its obligations under the Customer Code. Furthermore, Synergy submitted that it is also important for the MSLA to reflect a positive obligation on the network operator to repair a faulty meter on time. The current MSLA does not deal with meter faults identified by the network operator but does provide a metering service to repair faulty meters that have been identified by the retailer to the network operator.

### The OOE's response to the submissions

It is recommended that the words "the non-compliance" are added to the end of clause 3.5(9)(b).

Further amendments to clause 3.5(9)(b) are not recommended. There is a need for the clause to provide a degree of flexibility to allow for the different circumstances that a network operator

will experience when faced with repairing a faulty meter. It is considered that the Code already places a positive obligation on the network operator to repair the non-compliant metering installation as it requires the network operator to arrange for the non-compliance to be corrected "as soon as practicable" after it becomes aware of the non-compliance (whether that is by its own inspection or by notification from the retailer).

Amendments to the MSLA are a matter for the Authority to determine under the Code's relevant approval processes. It is also noted that the Code allows for a retailer and network operator to negotiate a service level agreement for metering services which provides a retailer with the opportunity to agree with the network operator the terms under which a metering service will be provided. The MSLA states that repair times "will be as agreed between the network operator, Electrical Contractor and the User".

The amendment proposed by Horizon Power is not recommended. Horizon Power is a network operator and therefore owns the meters and communications links on its network and is responsible for repairing the metering equipment that it owns that is non-compliant with the Code. It is important that there is an obligation on all licensed network operators to notify any affected parties of a non-compliant metering installation and make the metering equipment it owns compliant with the Code once it becomes aware of the non-compliance.

### Recommendation 12

Amend clause 3.5(9)(b) to add the words "the non-compliance" to the end of the clause.

## 2.3.8 Reliability of metering installations

### Summary

The Issues Paper asked whether clause 3.11(1) is sufficiently clear regarding the requirements on the metering installation to record data. It

appears that the aim of the clause is to require the network operator to ensure its installation is available to record data (and is therefore able to provide data) for a minimum of 99% of the year. However, the clause, as currently drafted, leaves this interpretation open to doubt.

### Responses to the Issues Paper

Alinta submitted that the effect of clause 3.11(1) is a factual matter on which the OOE may wish to seek a legal opinion.

Horizon Power and Synergy agreed that the clause is not sufficiently clear on the availability standard for metering installations to record and provide data and a Code amendment is required.

Western Power submitted that the clause is sufficiently clear.

### The OOE's response to the submissions

The reference to individual components in paragraph (a) of the clause suggests that it is individual components that must meet the reliability requirements, not the metering installation as a whole. If the clause is not amended there is a strong argument that it is only the individual components that must meet the reliability standards.

### Recommendation 13

It is recommended that clause 3.11(1) be amended to clarify that the clause relates to the collective operational availability of a metering installation as a system to record and provide energy data.

## 2.3.9 Metering installations commissioned prior to commencement of the Code

### Summary

Clause 3.14 allows for certain transitional matters regarding metering installations commissioned prior to the commencement of the Code. A

high voltage capacity metering installation has three components, a CT, a VT and a meter. The Code allows, as a transitional matter, out of specification metering transformers but not out of specification meters, providing that the total installation meets specification.

### Responses to the Issues Paper

Alinta submitted that a Code amendment is not required. The Code is intended to prescribe minimum requirements only for metering installations. Alinta submitted that clause 3.14 requires only that metering installations committed to before, and commissioned no later than 18 months after, the Code commenced, must achieve the overall accuracy requirements set out in Table 3 in Appendix 1. The clause does not require the installation of higher class accuracy meters, instead leaving it to the network operator to determine how best to ensure that the metering installation meets overall accuracy requirements.

Western Power submitted that if any individual component fails to meet its accuracy requirement then it should be replaced and that is why specification limits are included in the Metrology Procedure.

### The OOE's response to the submissions

The submissions of Alinta and Western Power are supported and an amendment to the Code is not recommended.

Clause 3.14 is a transitional clause and has been in place for five years. Transitional clauses are not intended to apply indefinitely and it needs to be considered whether a time limit should be imposed on clause 3.14. It is reasonable to expect a transitional arrangement to expire at some point and it may be supporting a lack of competitive neutrality between Code participants.

### Recommendation 14

A Code amendment is not recommended but stakeholders are asked for their views on

imposing a time limit on clause 3.14. For example, the Code could be amended so that clause 3.14 expires in 2015.

### 2.3.10 Bi-directional metering of generation plants

#### Summary

The Issues Paper explored whether the Code adequately provides for circumstances where someone commercially generates energy and exports into the network but also draws energy from the network using the same meter (normally for the purpose of supplying electricity to the premises that the generating plant is situated on). This can create accuracy problems as the amount of electricity that is being exported into the network can be significantly greater than the amount of electricity being imported from the network.

The metering installation will be designed to record the higher amount being exported and will therefore have difficulty in accurately recording the much smaller amount being imported from the network. This can create a situation where the user is importing energy from the network that is not being accurately metered.

The Issues Paper asked whether the Code needs to stipulate that the output from generating plants must be separately metered from the supply to the premises.

#### Responses to the Issues Paper

Alinta expressed concern that a requirement for separate metering has the potential to result in significant additional costs for facilities that both draw electricity from the network and export electricity into the network. Alinta suggested that a quantitative analysis should be undertaken of a sample of such facilities to determine the extent of any inaccuracies in measuring electricity imported from and exported to the network.

Synergy submitted that the Code should prohibit new generators from connecting to the network unless their metering meets the Code's requirements.

The IMO and Western Power recommended that the Code should be amended to require generating plants to have an appropriate metering installation for the import and export of electricity. The IMO also raised the concern that it is currently not documented who is responsible for the energy that is imported or exported where generating plants do not have the correct meter installed and questions whether this is captured in the notional wholesale meter value. The IMO recommended that having the correct meter installed prior to commissioning energy that is imported / exported from the system will ensure that it is correctly settled by the market.

#### The OOE's response to the submissions

It is noted that clause 3.14 provides a grandfathering provision for metering installations that were commissioned before the clause commenced (or committed to before the clause commence and commissioned no later than 18 months after the clause commenced).

Metering installations not caught by clause 3.14 must comply with the Code's requirements. Clause 3.16(1)(b) requires the network operator to ensure that a Type 1 to Type 5 metering installation on the network "is capable of separately registering and recording flows in each direction if bi-directional electricity flows occur". However, a Code compliant metering installation must be installed and, for generating plants, Western Power designs the metering installations based on the maximum generating capacity of the plant.

Generating plants should be appropriately metered and currently the Code does not ensure such an outcome, particularly for plant that was constructed prior to the commencement of the Code. However, any amendment that requires generating plants to have separate metering

installations and metering points to measure the import and export of electricity respectively may require significant investment on the part of the generator and / or network operator.

It is not clear how significant the inaccuracy issues are and the effect they may have on the market and whether the benefits of such a Code amendment would outweigh the costs.

### Recommendation 15

A Code amendment is not recommended.

Alinta's proposal that a sample of facilities be analysed to quantify the level of inaccuracy is supported. It is recommended that the IMO conduct the analysis and the OOE will liaise with the IMO on this matter.

## 2.3.11 Communication links for Type 5 and Type 6 metering installations

### Summary

Clause 3.16(2) states that the network operator must ensure that a Type 1 to Type 4 metering installation on the network includes a communications link. Clause 4.3.1 of Western Power's Mandatory Link Criteria provides that "Where a communications link is required due to access restrictions that are a consequence of the owner or tenant of the premises of facility being metered, the retailer shall be liable for the costs associated with the link (e.g. if the link is required because there is a fierce dog or the meter is kept locked or otherwise inaccessible)".

The Issues Paper asked whether the Code needs to clarify that where a communication link is required for Type 5 and Type 6 metering installations because of restricted access to the meter, the retailer is liable for the costs associated with the link (even if the retailer has not requested the link).

### Responses to the Issues Paper

Alinta submitted that clause 3.6 already provides for a network operator to require the installation of a communications link. Alinta suggested that, to the extent that the Authority approves a network operator's Mandatory Link Criteria, it should also approve the circumstances under which a retailer should be required to pay for the costs associated with communications links. Alinta expressed concern that a blanket requirement that the retailer pay for the costs associated with communications links that are not mandated by the Code, risks a network operator opting to simply avoid manual reading of residential properties with dogs, even though in a majority of cases these represent no health or safety risk to meter readers.

Synergy submitted that it would support an amendment to the Code providing installation of the communications link is done with the prior approval of the retailer. Synergy did not support an amendment that would allow a network operator to unilaterally charge a retailer, and ultimately a customer, for the cost of installation of a communications link to Type 5 and Type 6 metering installations even if the retailer or the customer does not request the link or is able to easily resolve the access issues. It is Synergy's experience that in many cases an access issue can be resolved with the customer without charging the customer for a communications link. In addition, Synergy submitted that if the access issue was attributable to the remoteness of the site or meter then the installation of a communications link would be an economic decision for the network operator's convenience and would be typically funded through the Access Arrangement.

Western Power recommended that the Code should be amended to provide the network operator with the right to install communications links on Type 5 and Type 6 metering installations where access restrictions prevent energy data being collected for a period of greater than 12 months and make the retailer liable for the cost.

### The OOE's response to the submissions

Clause 3.6 of the Code and clause 4.3 of the Mandatory Link Criteria are considered to adequately provide for the installation of communications links on Type 5 and Type 6 metering installations in circumstances where the links are required because of access restrictions that are due to the customer or where the links are installed for the convenience of the network operator.

The Mandatory Link Criteria provides for payment for communications links and any proposal to amend the conditions under which a retailer is required to pay for the costs associated with communications links is a matter for the Authority under the Code's provisions for amending the Mandatory Link Criteria.

It is also noted that the Customer Code allows a retailer to arrange for the disconnection of a supply address if the customer has denied access for at least 12 consecutive months.

### Recommendation 16

A Code amendment is not recommended.

## 2.3.12 Notional wholesale meter value

### Summary

Clause 3.16 provides the requirements for wholesale market metering installations. Clause 3.16(4) requires that the Metrology Procedure must specify how the network operator will produce the "Notional Wholesale Meter" value for the purposes of the Market Rules. However, the Market Rules have subsequently removed this requirement for the network operator and this value is now being determined by the IMO under the Market Rules, which state that the IMO will produce an estimate of this value. This inconsistency between the Code and Market Rules requires addressing to clarify who should be providing the value.

### Responses to the Issues Paper

Horizon Power proposed that as the clause does not apply to Horizon Power it should be amended to clarify that it applies to "a network operator that is also a participant in the Wholesale Electricity Market".

The IMO submitted that the Code should be amended to be consistent with the Market Rules.

Synergy proposed that, in accordance with the current practice, the responsibility to determine the notional wholesale meter value should remain with the IMO. In line with Synergy's view, Western Power recommended that the Metrology Procedure should be amended to remove the requirement on the network operator to provide the value.

### Recommendation 17

It is recommended that clause 3.16(4) be removed from the Code. It is also recommended that the Authority considers a consequential amendment to the Metrology Procedure to remove the requirement on the network operator to produce the notional wholesale meter value.

## 2.3.13 Pre-payment meters

### Summary

Clauses 3.24, 3.25 and 3.26 refer to the application of the Code in relation to PPMs, requirements for PPMs and disputes in relation to PPMs respectively, but the Code does not address the deployment of PPMs.

One of the Code's "objectives" is to facilitate the operation of the Customer Code. Until 30 June 2010, Part 9 of the Customer Code provided for the operation of PPMs in specified remote communities. The Authority recently approved amendments to Part 9 and Part 13 of the Customer Code in relation to the operation of PPMs in Western Australia. The amendments,

which took effect from 1 July 2010, allow the operation of PPMs in areas declared by the Minister through publication in the Government Gazette.

In order for the Code to meet its objective concerning facilitating the operation of the Customer Code the Issues Paper asked whether the Code should address the functionality of PPMs.

### Responses to the Issues Paper

Alinta noted that Division 3.4 identifies pre-payment facilities as an enhanced technology feature of metering installations. Consequently, Alinta suggested that the installation of PPMs could easily be accommodated by amending the definitions of “connection point”, “meter”, “metering equipment” and “metering installation” (see point 2.1.1 for further information); and by deleting clauses 3.24 and 3.25. With these amendments the Code would require that meters with pre-payment facilities at least meet the minimum requirements for the relevant metering installation “Type”.

Horizon Power submitted that the Code should apply fully to PPMs.

Synergy submitted that one of the primary objectives of the Code is to facilitate the operation of the Customer Code and currently the Code does not meet this obligation with respect to PPM use. The Customer Code imposes a significant number of obligations on a retailer with respect to PPMs but does not impose obligations on the network operator to provide PPM functionality or metering services.

Synergy also expressed concern that the Customer Code has been amended to make a retailer financially liable to a customer for an overcharge due to an act or omission of the network operator but contains no corresponding obligation on the network operator to compensate the retailer. Synergy recommended that the Code be amended to contain a provision that if the retailer is liable to and makes a payment to

a customer due to an overcharge attributable to an act or omission by the network operator in relation to a PPM, then the network operator must compensate the retailer for the payment.

Western Power suggested that the Code include a clause that states any PPM requested by a retailer will be installed and operated by the network operator in accordance with the Customer Code. Western Power also suggested that PPMs should be included in Table 3 in Appendix 1.

### The OOE’s response to the submissions

Under Division 3.4 the Code provides for the installation of pre-payment facilities on a meter. It is also noted that clause 2.3.1 of the Metrology Procedure states:

“Where *prepayment meters* are installed:

- a) they will be treated where reasonably possible as Type 6 accumulation meters; and
- b) they will be operated and maintained in accordance with good electricity practice.”

Clause 2.3.3 of the Metrology Procedure states “If *prepayment meters* that cannot be treated as Type 6 accumulation *meters* are introduced to the *network* this *Metrology Procedure* will be amended where necessary to cater for other features of these meters.”

The Code and the Metrology Procedure therefore provide for the installation and maintenance of meters with pre-payment functionality. However, a number of amendments to the Code are recommended to strengthen the applicability of the Code to PPMs (see point 2.1.1). It is also recommended, in line with Western Power’s suggestion, that the Code be amended to require a network operator to install and operate a PPM requested by a retailer in a manner that enables the retailer to comply with its obligations under the Customer Code.

PPMs are not a meter “Type”, they are revenue meters with pre-payment functionality and



therefore an amendment to Table 3 in Appendix 1 is not recommended.

No amendment to the Code is recommended to address the liability of retailers to the customer for an overcharge due to an act or omission by the network operator. The customer will have paid the retailer the amount of the overcharge and therefore the retailer should only be returning what it has already received from the customer. The retailer is only required to reimburse the amount of the overcharge so it should not be incurring a financial loss. It is noted that the retailer may incur a small cost in administering the refund but this is unlikely to be significant other than in a case of long term and systematic inaccuracy. Such an event would be more appropriately dealt with on its merits by negotiation between the network operator and the retailer.

It is also noted that the Code is made under section 39 of the EI Act. Section 39(2)(a) provides for a code to make provision for “metering of the supply of electricity by licensees”, including “the provision, operation and maintenance of metering equipment” and “ownership of and access to metering data”. There is no reference to compensation payments for failure to meet any metering requirements (in contrast to, for example, sections 39(2)(da) and 79(2)(c) of the EI Act which expressly provide for compensation payments in particular circumstances).

Also, there is no express power in section 39 of the EI Act to make provisions necessary or expedient to the purposes of the metering of the supply of electricity by licensees (in contrast to sections 79(3) and 131 of the EI Act). For these reasons, the OOE is of the view that this is not a matter that may be provided for in the Code. It is suggested that such a matter could be addressed in either the Customer Code or a contractual arrangement between the network operator and the retailer.

### Recommendation 18

It is recommended that the Code be amended to require a network operator to install and operate

a PPM requested by a retailer in a manner that enables the retailer to comply with its obligations under the Customer Code.

### 2.3.14 Determining the metering installation “Type” that should be installed

#### Summary

Neither Part 3 nor Table 3 in Appendix 1 specify who decides which metering installation type should be installed at a connection point on the network. Table 3 categorises metering installation types by annual electricity throughput at the connection point and the network operator accepts the user’s calculation of annual throughput and therefore the user’s choice of metering installation type (as the type relates to the amount of throughput).

The Code addresses this issue by categorising the type of metering installation relevant to the annual throughput. However, the Code is silent on how the annual throughput should be calculated. The issue is whether there is a need to clarify in the Code who determines the metering installation type that must be installed and whether this decision should rest with the network operator because it will be responsible for the installation, operation and maintenance of the metering installation (and will own the meter and any communications links associated with the metering installation).

#### Responses to the Issues Paper

Horizon Power, Synergy and Western Power all supported an amendment to the Code that provides the network operator with the authority to determine the type of metering installation that must be installed at a connection point.

#### The OOE’s response to the submissions

It is noted that clause 2.4.5 of the Metrology Procedure states “The choice of *metering installation* type will be based on the historic

or anticipated annual consumption and peak load at the *connection point*, as agreed with the *Retailer*, and on the need for *interval energy data* and communications. {Note: it is anticipated that routine discussion will not be required. I.e. that the *Retailer* will indicate to Metering Services the circumstances under which they need to be consulted about the *metering installation*.}

### Recommendation 19

It is recommended that, for the avoidance of doubt, the Code be amended to provide network operators with the authority to determine the metering installation “Type” that must be installed at a connection point.

## 2.3.15 Any other matters relating to Part 3

### Summary

The Issues Paper asked for submissions on any other matters relating to Part 3 of the Code that were not covered in the Issues Paper. A number of matters were raised by the submissions and are detailed below.

### Responses to the Issues Paper 1

Synergy proposed an amendment to clause 6.6(1) to align it with the Code objectives and ensure the MSLA facilitates the operation of both the Customer Transfer Code and the Customer Code. The amendment is the inclusion of “the *Code of Conduct*” before “and the *Customer Transfer Code*”.

### Recommendation 20

It is recommended that clause 6.6(1) be amended to include “the *Code of Conduct*” before “and the *Customer Transfer Code*”.

### Responses to the Issues Paper 2

Western Power proposed:

- a) a minor amendment to clause 3.12(d) to clarify the misinterpretation that the clause can apply to multiple revenue metering installations.

Western Power recommended clause 3.12(d) read as follows: “if a VT is required as part of a metering installation and only one secondary winding is provided from it, then the voltage supply to the metering point must be separately fused and located in an accessible position as near as practicable to the VT secondary winding”.

- b) that clause 3.16(3) be removed from the Code.

Western Power submitted that whilst it publishes interval energy data in 30 minute trading intervals, it collects the data in 15 minute intervals at the meter and then aggregates to 30 minutes. Western Power suggested that clause 3.16(3) should be removed to allow the network operator to record at 15 minute intervals without requiring the agreement of a Code participant.

- c) a minor amendment to clause 3.16(1) to replace “internal” with “interval”.
- d) an amendment to clause 3.4 to exempt Automated Meter Reading systems that are not owned by the network operator from the clause.

### The OOE’s response to the submissions

Western Power’s proposed amendments, with the exception of point b), are supported.

In relation to point b), Western Power’s proposed amendment is partially supported. Western Power is required to publish to the market interval energy data in 30 minute intervals. Specifically, the NEM 12 file requires publication in 30 minute intervals. Western Power has meters on the SWIS

that record in 15 minute intervals (all meters installed since July 2010 record in 30 minute intervals) but Western Power aggregates the 15 minute intervals into 30 minute intervals for publication.

It is considered an unnecessary administrative burden for a network operator to have to seek approval from a Code participant to record in sub-multiples of a trading interval if it is required to publish data in 30 minute intervals (the “trading interval”). However, it is still considered necessary to require a network operator to record interval energy data in trading intervals or sub-multiples of the trading interval.

### Recommendation 21

- a) It is recommended that clause 3.12(d) be amended to read, “if a VT is required as part of a metering installation and only one secondary winding is provided from it, then the voltage supply to the metering point must be separately fused and located in an accessible position as near as practicable to the VT secondary winding”.
- b) It is recommended that clause 3.16(3) be amended to remove the requirement for an agreement between the network operator and Code participant to be reached for interval energy data to be recorded in sub-multiples of the trading interval. However, a requirement will remain for interval energy data to be recorded in a trading interval or sub-multiples of a trading interval.
- c) It is recommended that clause 3.16(1) be amended to replace “internal” with “interval”.
- d) It is recommended that clause 3.4 be amended to exempt Automated Meter Reading systems that are not owned by the network operator from the clause.

## 2.4 The Metering Database

### 2.4.1 Standing data items

#### Summary

The “standing data” for a metering point must comprise at least the items prescribed in Table 2 of clause 4.3(1). The items in Table 2 contain non-metering data, such as billing data, which are contained in the electricity network corporation’s Access Arrangement. To avoid potential inconsistencies arising between the Code and Access Arrangement the Issues Paper asked if it is advisable to amend the Code to remove items from Table 2 that relate to non-metering data.

#### Responses to the Issues Paper

Alinta does not support the removal of the non-metering items identified in the Issues Paper just because the items are contained elsewhere. The Code contemplates this situation in clauses 4.4 to 4.6, including instances where discrepancies may arise between data in the registry and other databases, and outlines how any such discrepancies are to be resolved. Alinta submitted that standing data is necessary to assist the network operator in responding to requests for that data under the Customer Transfer Code. It was also noted by Alinta that the Access Arrangement applies to the SWIS, whereas the Code applies more broadly.

Synergy submitted that it is important to delineate data that is associated with a metering point (standing data) from data that is associated with a connection point, as defined in the Access Arrangement. This delineation is necessary to manage the metering transactions that are required under the Communication Rules compared with the network transactions required under the Access Arrangement’s Application and Queuing Procedure. Consequently, Synergy supported in principal an amendment of the Code and Communication Rules to remove non-metering parameters from the standing

data. However, Synergy also stressed that it cannot fully support such an amendment until it understands the cost and operational implications the amendment will present to Synergy.

Synergy also expressed concern that, with respect to the standing data notification in the Communication Rules, removing these items from the Code may mean that Synergy is not covered under any existing data exchange protocols or regulatory documentation on the provision of this data. If this data is required to be sourced via a different mechanism this may cause delays and potential inaccuracies for customers that are billed for network charges via a pass through method.

Western Power supported the removal of items 2, 3, 5, 6 and 9 from Table 2 of clause 4.3(1).

### **The OOE's Responses to the Submissions**

The removal of non-metering items from Table 2 in clause 4.3(1) is not supported. The Code should ensure that these standing data items are available to Code participants as they are required in a range of processes within the regulatory framework.

#### **Recommendation 22**

A Code amendment is not recommended.

## **2.4.2 Rights of access to data**

### **Summary**

Clause 4.8(3) requires a network operator to allow a user who supplies, purchases or generates electricity to have local and (where a suitable communications link is installed) remote access to the energy data for metering points at its associated connection points, using a 'read only' password provided by the network operator.

Customers may also benefit from the access that clause 4.8(3) grants to users, and, ultimately, customers should have the means to access the energy data for the metering point for their

premises (providing the data cannot be altered or modified by the customer). This level of information will become increasingly important for customers as energy efficiency policies and mandatory measures are introduced.

### **Responses to the Issues Paper**

No submissions were received on this issue.

#### **Recommendation 23**

It is recommended that the Code be amended to provide users' customers with the same rights that users are provided under clause 4.8(3).

It is also recommended that the Code be amended to provide that the network operator is entitled to charge for reasonable costs incurred by the network operator in order to provide that access.

## **2.4.3 Any other matters relating to Part 4**

### **Summary**

The Issues Paper asked for submissions on any other matters relating to Part 4 of the Code that were not covered in the Issues Paper.

### **Responses to the Issues Paper**

Synergy submitted that in relation to clauses 4.4(1) and 4.4(2), the Code does not make it clear what constitutes "manifest error" and what needs to occur where there is such an error.

#### **Recommendation 24**

To provide clarity to Code participants it is recommended that "manifest error" be defined in the Code as an error that is obvious and indisputable.

In relation to what must occur when a "manifest error" is identified, it is recommended that the Code be amended to require the owner of the data that is in manifest error to use its best endeavours, with the support of the affected Code participants, to rectify the error.

## 2.5 Metering Services

### 2.5.1 Clause 5.4 and interval meters

#### Summary

Clause 5.4 refers to reading accumulation meters only; it does not refer to interval meters. The Issues Paper asked whether clause 5.4 should be amended so the provision applies to interval meters as well as for accumulation meters.

#### Responses to the Issues Paper

Alinta submitted that the Code should not be amended. It expressed concern that requiring interval meters to be 'read' to provide an 'actual value' could result in perverse outcomes, such as missing sets of data. Alinta also expressed concern that an interval meter will not necessarily ever provide an actual value of electricity consumption or production.

Synergy recommended that the Code should not limit the requirement to obtain a meter reading at least once in 12 months to an accumulation meter only and should extend this requirement to other meter types including interval and pre-payment meters in order to give effect to the code objectives and ensure energy data is not estimated indefinitely for these types of meter. Synergy also noted that a retailer's obligation under clause 4.7 of the Customer Code to use best endeavours "to ensure that metering data is obtained, as frequently as required to prepare its bills, and in any event at least once every twelve months" applies to any meter.

Western Power supported an amendment to clause 5.4 to require the network operator to provide an actual value for Type 5 interval meters.

#### The OOE's response to the submissions

Western Power advises that interval meters are capable of containing accumulation registers that record the total accumulated energy that

is consumed or produced at the metering point. However, within the NEM, Metering Data Providers are appointed to collect, process and deliver metering data to market participants in the file format specified by AEMO. Interval meter data has to comply with the NEM12 file and accumulation meter data has to comply with the NEM13 file.

The WEM and Horizon Power have adopted the NEM12 and NEM13 files. The NEM12 file allows for a single total accumulated register reading but only for Type 5 metering installations. Therefore, whilst Metering Data Providers are obliged to provide these readings for Type 5 metering installations to retailers, they would be violating the NEM12 file specification and be in breach of the agreement with AEMO if the provision of accumulated register readings in the NEM12 file was extended to Type 1 to Type 4 metering installations.

#### Recommendation 25

A Code amendment is not recommended.

### 2.5.2 Frequency of meter readings that generate an actual value

#### Summary

The Issues Paper asked whether clause 5.4(1) should be amended to require a network operator to undertake more than one metering reading that provides an actual value in any 12 month period.

#### Responses to the Issues Paper

The Energy Ombudsman Western Australia (**the Energy Ombudsman**), Horizon Power and Synergy all recommended that a network operator be required to undertake a meter reading at least once in any six month period.

WACOSS submitted that a network operator should be required to use "best endeavours" to undertake a meter reading that provides an actual value every billing period and must undertake a

metering reading that provides an actual value at least once in any 6 month period.

Western Power submitted that a network operator would not be able to comply with a requirement to undertake more than one meter reading that provides an actual value in any 12 month period without significant and disproportionate cost in excess of benefit for the customer and / or retailer.

#### **The OOE's response to the submissions**

The OOE acknowledges the benefits to customers and retailers in requiring network operators to undertake more frequently meter readings that generate an actual value. However, such an amendment may result in network operators incurring significant costs in meeting the Code's requirements and it is not clear whether the benefits of such a Code amendment would outweigh the costs.

Further information is required on the potential impact of such a Code amendment. The OOE proposes to investigate this issue with a view to making an informed decision at a later date.

#### **Recommendation 26**

A Code amendment is not recommended.

### **2.5.3 Meter readings and "actual value"**

#### **Summary**

In relation to clause 5.4(1), "actual value" is not defined. The Issues Paper raised a concern that as the term is not defined it may be open to doubt what constitutes an "actual value". For example, does the network operator have to undertake the meter reading itself or can it rely on a customer's self-reading of the meter for an "actual value"?

#### **Responses to the Issues Paper**

Synergy submitted that it sees merit in clarifying whether a meter reading by a person other than

a network operator constitutes an actual read but Synergy's preference is for the network operator to undertake the meter reading to ensure the highest degree of accuracy. Synergy expressed concern that a network operator should not be able to divest its primary responsibility to obtain an actual value to a customer for cost or convenience purposes, but only genuine circumstances where the network operator cannot obtain an actual value.

In the event that a customer self meter read is permitted to constitute an "actual value", Synergy submitted that the Code should address the mechanism in which a customer may submit a self read. Synergy also noted that under Western Power's Portable Builders Supply Scheme, Western Power does not obtain an actual reading from the portable meters. Bi-annual readings are provided by the building company. Synergy recommended that the Code needs to ensure that actual reads from portable meters owned by Western Power are treated in the same way as the actual reads from other meters owned by Western Power.

WACOSS submitted that alternative methods to the self-read card process should be available to customers to submit meter readings, such as by telephone or through the network operator's website.

Western Power submitted that it interprets "actual value" to be a physical site visit by Western Power to read the meter. This includes 40,000 geographically remote sites where the customer provides their own reading via the self-read card process. However, Western Power considers that self-read cards provide an "actual value" because the readings are validated prior to publishing to market. Western submitted that the costs to obtain a physical reading each year at these remote sites would be disproportionate to any benefit that may be gained by requiring Western Power to physically visit the meter.

Western Power recommended that "actual value" be defined as "*Energy data* derived by physical observation or remote communications

by the Network Operator (including its service provider/s), or a *Customer*. Note: A *Customer* supplied meter reading may include, but not limited to self-read card or electronic submission).”

### The OOE’s response to the submissions

The provisions in Part 5 of the Code suggest an “actual value” is to be distinguished from substituted or estimated data (for example refer to clause 5.22) and from “deemed actual values” in clause 5.23 (which is obtained from an estimated or substituted value in certain circumstances). Clause 5.24(1) refers to an actual value and another “better quality” actual value. Consequently, there would appear to be more than one possible “actual value” for a meter reading and an actual value need not necessarily be from a manual meter reading (clause A2.1 in Appendix 2 expressly refers to a “manual meter reading”).

In this context, it is considered that an “actual value” is any value that is not an estimated or substituted value. It is also considered that an “actual value” may or may not come from a manual meter reading and there may be different “actual values” of different quality. However, given the absence of a definition for “actual value” this interpretation is open to doubt.

Clause 5.4 does not preclude a person undertaking a meter reading on behalf of the network operator. A network operator is normally a corporate entity that cannot undertake meter readings personally. It must do so through, for example, employees, contractors or agents. As a result, a customer’s self-reading of the meter would meet the Code’s requirements under clause 5.4.

It is recommended that the Code define “actual value” to clarify the Code’s requirements. It is recommended that “actual value” be defined as the physical collection of energy data from a metering point or the remote collection of energy data from a metering point by way of a communications link. It is also recommended

that the definition clarifies that an “actual value” includes a reading provided by the customer to the network operator.

There is some benefit in requiring a network operator to read the meter rather than the customer. However, network operators in Western Australia are faced with a range of circumstances in relation to physically reading meters and a degree of flexibility is required to ensure the most appropriate method is used (and available) to read the meter. Requiring a network operator (in this case Western Power) to physically visit all its geographically remote sites to obtain a meter reading would incur significant costs that are unlikely to be outweighed by the benefits in Western Power obtaining the reading itself.

The Code should not prescribe the means that a network operator must make available to allow a customer to submit their readings. This is a decision for the network operator and a degree of flexibility is required to ensure the network operator can accommodate the circumstances of the customer and can introduce new mechanisms for a customer to submit a reading as and when they become available (such as electronic submission). The OOE understands that Western Power and Synergy are currently investigating the options for customers to submit their readings electronically.

The metering installations in Western Power’s Portable Builders Supply Scheme are Type 6 metering installations. As such, they should be operated, maintained and read in accordance with the Code’s provisions for Type 6 metering installations and therefore a Code amendment is not recommended.

### Recommendation 27

It is recommended that the Code define “actual value” as the physical collection of energy data from a metering point or the remote collection of energy data from a metering point by way of a communications link. It is also recommended that the definition clarifies that an “actual value”

includes a reading provided by the customer to the network operator.

### 2.5.4 Using “reasonable endeavours” to undertake a meter reading

#### Summary

The Issues Paper considered whether the Code is providing a sufficient level of certainty to retailers and customer that a network operator will undertake a meter reading that generates an actual value at least once in any 12 month period. The Issues Paper asked whether the term “reasonable endeavours” in clauses 5.4(1) and 5.4(2) should be replaced with either the term “best endeavours” or an absolute requirement to undertake a metering reading. The Issues Paper also asked whether the term “reasonable endeavours” should be defined in the Code.

#### Responses to the Issues Paper

Alinta and the Energy Ombudsman submitted that there should be an absolute requirement on a network operator to undertake a meter reading that generates an actual value at least once in a 12 month period.

Horizon Power, Synergy, WACOSS and Western Power all proposed that “reasonable endeavours” be replaced with “best endeavours” in clauses 5.4(1) and 5.4(2).

Synergy did not support defining the term “best endeavours”. Synergy expressed concern that given the term is used in other regulatory instruments (such as the Customer Code), defining the term in isolation in the Code may have unintended consequences. WACOSS submitted that in order to ensure a network operator complies with the proposed amendment it is necessary for the Code to define “best endeavours”.

#### The OOE’s response to the submissions

It is recommended that “reasonable endeavours” in clauses 5.4(1) and 5.4(2) be replaced with “best endeavours” to place a greater obligation on the network operator to undertake a meter reading.

An amendment placing an absolute requirement on a network operator to undertake a meter reading is not recommended. Gaining access to a meter is not always straightforward and a degree of latitude is required to ensure the obligations on the network operator are reasonable and achievable.

It is also noted that clause 4.7 of the Customer Code requires that “A retailer must use its best endeavours to ensure that metering data is obtained, as frequently as required to prepare its bills, and in any event at least once every twelve months in accordance with clause 4.6(1) (a).” Therefore, a retailer has a “best endeavours” obligation under the Customer Code to obtain metering data at least once every twelve months and the proposed amendment to the Code will place an equal obligation on the network operator.

An amendment to define “reasonable endeavours” (or “best endeavours”) is not recommended. It is not considered appropriate to define such terms due to the different situations that a network operator may be faced with when attempting to undertake a meter reading (and the retailer may experience when called upon to assist the network operator). This issue is primarily a provision of service issue and if a network operator or retailer is concerned about whether each other are using “reasonable (or best) endeavours” it would be more appropriate to address this in their service level agreement.

#### Recommendation 28

It is recommended that “reasonable endeavours” in clauses 5.4(1) and 5.4(2) be replaced with “best endeavours”.



## 2.5.5 Access to a meter

### Summary

In relation to the network operator reading meters, the Code does not address access to a metering installation from the customer's perspective. The Issues Paper considered whether it may aid the network operator (and the retailer in assisting the network operator) to fulfil its obligations under clauses 3.5(9), 5.3 and 5.4 if the Code required a customer to provide access to their metering installation (under certain conditions that the network operator and / or retailer must comply with).

### Responses to the Issues Paper

Horizon Power, WACOSS and Western Power all supported the inclusion of a requirement that the customer must provide access to their meter.

Horizon Power submitted that it should be considered whether the Code can include rights of the network operator to disconnect a customer's electricity supply where the customer has been contacted at least twice to allow access to the meter by the network operator and the meter has not been read for nine months.

WACOSS agreed with the suggestions in the Issues Paper that an obligation on a customer to provide access to their meter needs to be accompanied by conditions that the network operator and / or retailer must comply with. For example, WACOSS recommended that the site visit must occur at a reasonable time, a network operator or retailer's representative must produce official identification on arrival and prior notice of the site visit must be given to the customer.

Western Power recommended that network operators be given the authority to enforce access to the meter.

### The OOE's response to the submissions

Any obligation imposed on a customer by the Code would not be enforceable unless the customer is a Code participant, which is improbable as a customer would have to be a user or a licensee.

Under section 64(2)(c) of the *Energy Operators (Powers) Act 1979 (the Energy Operators Act)* an energy operator may, in relation to any supply or proposed supply of energy by an energy operator to any premises, "enter the premises in so far as is necessary and there execute all works and do all acts needed to inspect, read, examine, test, maintain, and repair any meter or any apparatus, works, or device belonging to the energy operator, and remove or replace the same." The definition of "energy operator" includes an electricity corporation. Under sections 80 and 81 of the Energy Operators Act, a person who does something contrary to the Act commits an offence under the Act and is liable to the penalties in the Act.

Clause 7.4 of the Customer Code allows a retailer to arrange for the disconnection of a customer's supply address if the customer has denied access for at least 12 consecutive months. Any change to this provision would require an amendment to the Customer Code.

It is not considered appropriate to amend the Code to provide a network operator with the authority to enforce access to a metering installation on a customer's premises. Indeed, it is uncertain that the EI Act provides the head of power for the Code to make such a provision. Section 64(2)(c) of the Energy Operators Act permits Western Power to enter a premises to access metering equipment that it owns.

### Recommendation 29

A Code amendment is not recommended.

## 2.5.6 Providing energy data to the IMO

### Summary

Clause 5.6(1)(b) requires a network operator to provide to the IMO validated, and where necessary substituted or estimated, energy data for a metering point before 5pm on the first business day after the network operator obtains energy data for the metering point under clause 5.3(a) (or such other time as is specified in the applicable service level agreement). Clause 5.3(a) requires a network operator to obtain energy data from the metering installation for a metering point, and transfer the data into its metering database, by no later than 2 business days from the date of a scheduled meter reading for the metering point (or such other time as is specified in the applicable service level agreement).

Under clause 9.16.2(a) of the Market Rules the settlement cycle timeline must include for each settlement cycle, the “Interval Meter Deadline”, which is the “Business Day by which meter data submissions for a Trading Month must be provided to the IMO. This date must be the first Business Day of the second month following the month in which the Trading Month commenced.” For example, if the trading month was January 2011, then the Interval Meter Deadline would be 2 March 2011.

The Issues Paper asked whether the Code should be amended to require the network operator to provide data to the IMO in accordance with clause 9.16.2(a) of the Market Rules.

### Responses to the Issues Paper

The IMO supported an amended requiring the network operator to provide energy data to the IMO in accordance with the Market Rules.

Synergy submitted that it supports the principle of consistency in the provision of data to all Code participants under the Code. However, it also recognised that the IMO also has the flexibility to customise its data provision requirements to

the meet the needs of the Market Rules. Synergy submitted that it supports ensuring all parties have access to the same data under the Code and therefore does not support the Code being amended to require a network operator to provide energy data to the IMO in accordance with the Market Rules. In addition, Synergy pointed out that clause 1.5(1) makes it clear that there is no inconsistency between the Code and the Market Rules.

Western Power submitted that it would not object to an amendment to the Code as long as the Code and Market Rules do not conflict.

### The OOE’s response to the submissions

To ensure consistency on the provision of data, all Code participants should receive the same data under the Code. The OOE understands from the IMO that the Code is not resulting in the failure of the IMO receiving the data it needs in the required time or format.

### Recommendation 30

A Code amendment is not recommended.

## 2.5.7 Providing energy data to the network operator

### Summary

Clause 5.16 states that if a user (a person who has an “access contract” to access a network) collects or receives energy data from a metering installation then the user must provide the network operator with the data (in accordance with the Communication Rules) within 2 business days of collecting or receiving the data (or such time as is specified in the applicable service level agreement).

There may be circumstances where 2 business days does not provide the user with a reasonable timeframe to provide the energy data to the network operator, for example, if the user/

metering installation are situated in a remote location. The Issues Paper asked whether the Code should be amended to allow the user more time to provide energy data that is has collected to the network operator.

### Responses to the Issues Paper

Synergy submitted that, for logistic and system reasons, it supports user having more time to provide energy data that they have collected to the network operator. Synergy proposed that users be given five business days to provide the data to the network operator.

Western Power recommended that clause 5.16 be removed from the Code as it does not see any need for the user to provide energy data that it has collected to the network operator.

### The OOE's response to the submissions

Western Power does not rely on users for data and its recommendation to remove clause 5.16 is supported. Requiring a user to provide data to a network operator imposes a regulatory burden on users that is considered unnecessary. This does not prevent a user from providing data to a network operator voluntarily however.

### Recommendation 31

It is recommended that clause 5.16 be removed from the Code.

## 2.5.8 Retaining energy data

### Summary

Clause 5.22 provides for the validation, substitution and estimation of energy data. To ensure the quality and reliability of the data a network operator must validate it in accordance with the Code's Appendix 2 – Validation of Data in the Metering Database. Under clause 5.24 a network operator must replace energy data with better data if it is available. However, the

Code does not specify whether or not the data that has been replaced by better data should be deleted from the metering database once it has been replaced. The inference in stating that the network operator must “replace” the data is that it will be substituted and therefore no longer be required. However, the Code is not clear on exactly what should happen to the data that has been replaced. It is understood that deleting data from the metering database can create errors between a network operator's and a retailer's respective databases and can delay the issuing of bills and affect other electricity transactions such as network billing.

The Code refers to the retention of data in clause 4.9, which states that a network operator must retain energy data in its metering database for each metering point on its network for at least 13 months from the date the data was obtained and after that period for at least a further 5 years and 11 months. In addition, clause 5.17 requires a user to provide validated, substituted or estimated data to the user's customer to which that information relates where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.

It is also relevant that the Customer Transfer Code makes an assumption that historical consumption data will be available for contestable customers as it requires a network operator to provide the data to a retailer on request (the retailer requires the consent of the customer to obtain the data). The Customer Code makes the assumption that historical consumption data will be available to non-contestable customers as it requires the retailer to provide the data to the customer on request.

To ensure consistency and provide clarity, the Issues Paper asked whether provision should be made in the Code to specify that data that has been replaced by better data should be retained in the database in accordance with the timeframes and conditions prescribed in clause 4.9.

### Responses to the Issues Paper

Synergy and Western Power both supported an amendment requiring data that has been replaced by better data to be retained in the metering database in accordance with the timeframes and conditions prescribed in clause 4.9.

Western Power also noted that it already complies with the requirements in the proposed amendment.

### Recommendation 32

It is recommended that the Code be amended to require data that has been replaced by better data to be retained in the metering database in accordance with the timeframes and conditions prescribed in clause 4.9.

## 2.5.9 Appointment of Electricity Networks Corporation as metering data agent

### Summary

Division 5.4 provides that a network operator may elect for the Electricity Networks Corporation to be its metering data agent. The Issues Paper considered whether an amendment to the Code is required to clarify that a network operator, who has elected to appoint the Electricity Networks Corporation as its metering data agent, is still required to comply with its own documents and submit them to the Authority for approval pursuant to Part 6 of the Code.

### Responses to the Issues Paper

Alinta submitted that it understands the intent of the Code is that where a network operator elects to have the Electricity Networks Corporation as its metering data agent, it would retain responsibility for preparing the Code's subordinate documents. This is specified in clause 5.29(g).

Western Power submitted that clarification is required.

### The OOE's response to the submissions

It is considered that clause 5.29(g) provides adequate clarification on the requirement of the electing network operator to prepare the Code's subordinate documents for its network.

### Recommendation 33

A Code amendment is not recommended.

## 2.5.10 Undercharging and overcharging

### Summary

Under clauses 4.18 and 4.19 of the Customer Code, where a customer has been undercharged (4.18) or overcharged (4.19) due to an act or omission by the distributor (including where a meter has been found to be defective) the retailer is liable for the act or omission. If there has been an undercharge the retailer must limit the amount to be recovered to no more than the amount undercharged in the 12 months prior to the date on which the retailer notified the customer that undercharging occurred. If there has been an overcharge the retailer must repay the overcharge amount to the customer.

Under the Customer Code, if the act or omission is due to the distributor, there is no specific provision for the retailer to recover from the distributor any financial loss the retailer makes in complying with clauses 4.18 and 4.19. There is concern that it is inequitable for the retailer to be financially liable for an act or omission by the distributor but there is no specific provision for the retailer to recover its loss from the distributor. The OOE understands that this matter was raised before the Electricity Code Consultative Committee (**the ECCC**) as part of its statutory review of the 2008 Customer Code and the ECCC recommended that this issue was best dealt with via contractual negotiations between the distributor and retailer and / or as part of a review of the Code.

## Responses to the Issues Paper

Synergy submitted that the provisions of the Customer Code that make a retailer financially liable for an act or omission by a network operator that results in an overcharge or undercharge to the customer is inequitable and untenable. Synergy does not accept it should be financially liable to customers for metering errors made by a network operator and recommends that the Code is amended to address this issue.

Western Power submitted that this matter should be addressed in the Customer Code, the MSLA or individual service level agreements with users.

### The OOE's response to the submissions

The Code is made under section 39 of the EI Act. Section 39(2)(a) provides for a code to make provision for "metering of the supply of electricity by licensees", including "the provision, operation and maintenance of metering equipment" and "ownership of and access to metering data". There is no reference to compensation payments for failure to meet any metering requirements (in contrast to, for example, sections 39(2)(da) and 79(2)(c) of the EI Act which expressly provide for compensation payments in particular circumstances). Also, there is no express power in section 39 of the EI Act to make provisions necessary or expedient to the purposes of the metering of the supply of electricity by licensees (in contrast to sections 79(3) and 131 of the EI Act). For these reasons, the OOE is of the view that this is not a matter that may be provided for in the Code. It is suggested that such a matter could be addressed in either the Customer Code or a contractual arrangement between the network operator and the retailer.

### Recommendation 34

A Code amendment is not recommended.

## 2.5.11 Any other matters relating to Part 5

### Summary

The Issues Paper asked for submissions on any other matters relating to Part 5 of the Code that were not covered in the Issues Paper. A number of matters were raised by the submissions and are detailed below.

### Responses to the Issues Paper 1

Synergy raised the following issues:

- a) The Code does not make it clear whether the need to provide notification of a sensitive load to the network operator (clause 5.19(4)) is subject to the user verifying that the site is subject to a sensitive load. In addition, the Code does not make it clear the circumstances where the site may be deregistered as a sensitive load. For example, when Synergy discovers that the customer's representation of a sensitive load is incorrect.
- b) When a customer plans to vacate a premise, Synergy provides Western Power with a service request to perform a special read in accordance with the MSLA. However, there are often site access issues when a customer leaves a premises and it can be difficult to arrange for site access when the customer is no longer residing at the site. Synergy submitted that in these circumstances its only recourse is to ask Western Power to provide a substituted or estimated reading under the Code.

Synergy submitted that in these circumstances where Western Power cannot read the meter, Western Power does not agree to consult with Synergy and provide Synergy with any energy data, including estimated energy data, as required by the MSLA, in order for Synergy to provide a final bill to the customer.

Synergy is unable to recover the cost of supplying electricity to the customer. In order to address this issue Synergy arranges a work

around, including paying Western Power another charge for processing an additional service request which Synergy then has to manually process for each customer.

Synergy expressed concern that this arrangement is contrary to the Code objectives and the requirements of clause 5.8 (a network operator must provide data to a user to enable the user to meet its Customer Code obligations). Synergy also noted that under clause 5.23, in circumstances where there is no possibility of determining an actual value for a metering point, the network operator must provide Synergy with a deemed actual value.

Synergy recommended that the Code should be amended to clarify that a network operator has a positive obligation to provide Code participants with a deemed actual value for a metering point where there is no possibility of determining an actual value for a metering point. In addition, Synergy noted that it will have Customer Code implications if, after providing a deemed actual value, the network operator provides a subsequent actual value that is less than the deemed actual value.

- c) Synergy submitted that clause 5.21(9) currently only allows for no charge to be imposed if the test or audit of a meter reveals a non-compliance with the Code which results in energy data errors in the network operator's favour.

Synergy expressed concern that regardless of whether the error is in the network operator's favour or not, Synergy still incurs significant costs in customer queries, rebilling and managing the rectification and should not be charged for the test or corresponding meter replacement, if required, in order to rectify the non-compliance. Synergy recommended that clause 5.21(9) be amended to remove the following words at the end of the clause: "which results in energy data errors in the network operator's favour".

### The OOE's response to the submissions 1

In relation to Synergy's proposed amendments, the following comments are made:

- a) Under the Code "sensitive load" means "life support equipment" (as defined by the Customer Code) or other electronically powered device which is medically necessary to sustain a person's life or health.

With regard to the user verifying that the site is subject to a "sensitive load" prior to notifying the network operator, clause 7.7(1) of the Customer Code stipulates that a retailer must give the customer's distributor relevant information about the customer's supply address for the purposes of updating the distributor's records and registers, subject to the customer providing the retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support equipment. Clause 7.7(1) of the Customer Code is therefore considered sufficient in making provision for the verification that there is a "sensitive load" at the customer's site.

In relation to clarifying the circumstances where a site may be deregistered as a "sensitive load", clause 7.7(3) of the Customer Code states:

- "(3) When a person –  
 a. who requires **life support equipment**, vacates the **supply address**; or  
 b. who required **life support equipment**, no longer requires the **life support equipment**,

**a retailer's** and **distributor's** obligation under subclauses (1) and (2) terminates."

Clause 7.7(3) of the Customer Code is therefore considered sufficient in making provision for the circumstances when a site may be deregistered as a "sensitive load".

- b) Clause 5.23(1) of the Code already makes provision for a network operator to have to provide a retailer with a deemed actual value for a metering point where there is no possibility of determining an actual value for a metering point. Therefore, a network operator would be in breach of the Code (and its electricity licence) if it did not provide a retailer with a deemed actual value (based on an estimate or substitute) when a customer vacates their premises and the network operator cannot obtain an actual value due to access problems. Furthermore, the network operator would be in breach of the MSLA if it did not consult the relevant Code participant (in this case the retailer) prior to estimating or substituting a reading when a special read is requested (and an actual read could not be obtained).
- c) It is considered that regardless of the affects of the non-compliance, such as data errors in the network operator's favour, the network operator should not be able to impose a charge for a test or audit of a metering installation that reveals a non-compliance with the Code.

### Recommendation 35

In relation to Synergy's proposed amendments, the OOE makes the following recommendations:

- a) A Code amendment is not recommended.
- b) A Code amendment is not recommended.
- c) It is recommended that clause 5.12(9) of the Code be amended to remove the following words at the end of the clause: "which results in *energy data* errors in the *network operator's* favour".

### Responses to the Issues Paper 2

Western Power submitted that Division 5.4 does not allow for the instance where another network operator (i.e. Horizon Power) stops using Western Power as its metering data agent. Western Power recommended the Code should be amended so that whenever Horizon Power stops using Western Power as its metering data agent, it forgoes any

automatic future right to elect Western Power as its metering data agent without Western Power agreement, as this impacts on resourcing, system capabilities and other processes.

### The OOE's response to the submissions 2

Due to the significant role that Western Power has operating in the SWIS it is not considered appropriate for Western Power to be able to reject an application from another network operator to be its metering data agent in the SWIS. However, the costs to Western Power to reinstitute a service outside of the SWIS after ceasing it are likely to be substantial. It is considered that there is little public benefit in obliging Western Power to reinstitute a service outside the SWIS when its core business is to be the network operator of the SWIS.

If there is commercial benefit to Western Power then the Code does not need to force Western Power to enter into an agreement with Horizon Power because it will be able to enter into a voluntary agreement on commercial terms. Horizon Power is also free to seek a private supplier of metering data services.

### Recommendation 36

It is recommended that the Code be amended to restrict the application of Division 5.4 so that Western Power is obligated to be a metering data agent for another network operator on the SWIS only (in effect Western Power's licence operating area).

## 2.6 Documentation

### 2.6.1 Network operator must establish Communication Rules

#### Summary

Clause 6.2 requires a network operator to establish specific documents and submit them to the Authority for approval. The documents include Communication Rules. Since the Code was gazetted in 2005 a further document has been introduced as a requirement of the Communication Rules. Part 4 of the Communication Rules requires the development and publication of a “Build Pack”, which consists of a number of documents that set out specific details as to how the data and information exchange processes will be implemented, including information relating to the design and development of information systems to enable the communication processes to occur.

There is concern that a document which the Code incorporates by reference (the Communication Rules) does itself incorporate another document by reference (the Build Pack). Whilst the Code requires the Authority to approve a network operator’s Communication Rules, the Authority does not have the power under the Code to approve the Build Pack. Indeed, there is no clear obligation on a particular person to approve documents that make up the Build Pack and the capacity of the Build Pack to be changed by the network operator in consultation with Code participants (provided for in the Communication Rules) seems to be inconsistent with any requirement that they be approved by the Authority.

To ensure consistency the Issues Paper asked whether the Code should be amended to include the specific documents that make up the Build Pack (thereby removing the term “Build Pack”) as documents that must be submitted by a network operator to the Authority for approval or whether the Code should be amended to clarify how the

Communication Rules may incorporate a Build Pack concept.

#### Responses to the Issues Paper

Alinta supported clause 6.7 being amended to clarify how the Communication Rules may incorporate a Build Pack concept.

Western Power recommended that the documents that constitute the Build Pack should be incorporated with the Communication Rules so one document is submitted to the Authority for approval.

Synergy cited the Code’s definition of “Communication Rules” and submitted that the consequence of the Authority approving the Communication Rules is to give effect to the Build Pack. Therefore, Synergy believes that the Authority does have the power to approve the Build Pack that is incorporated into the Communication Rules. Synergy expressed concern that if the Authority did not have the power to approve the Build Pack then Code participants would have no legal obligation to give effect to the Build Pack and the Communication Rules on its own would not meet the requirements of the Code.

Whilst Synergy believes the Authority has a legal obligation to review and approve the Build Pack, it supported amendments to clarify:

- how the Communication Rules may incorporate specific documents or a Build Pack;
- that there is a positive obligation on the Authority to approve the rules governing the file formats, protocols and timeframes for the communication of information and data under the Code (this includes approving specific documents or Build Pack); and
- how the Communication Rules will expedite the resolution of defects or deficiencies associated with the rules governing the file formats, protocols and timeframes for the communication of information and data under clause 6.7 and the Code.



### The OOE's response to the submissions

To ensure the requirements of the Code are clear and the "Build Pack" is validly incorporated into the Communication Rules, an amendment to the Code is required.

The Issues Paper suggested that a proposed amendment could be that the Communication Rules would remain a document approved by the Authority without any reference to the Build Pack but would refer to the details of the information transfers and protocols which are the subject of agreements between the network operator and relevant retailers. In effect, the Communication Rules approved by the Authority would consist of high level principles and outcomes and the detail would be contained in the documents that constitute the Build Pack and are agreed between a network operator and a retailer. The Build Pack documents would remain Western Power documents not subject to the Authority's approval but continue to be subject to the Code's dispute resolution procedure under the Code if Code participants are unable to agree on any matter.

The provisions in Part 8 of the Code (Dispute Resolution) are not within the scope of section 39 of the EI Act and have the potential to conflict with the Authority's enforcement of compliance with the Code through the licensing framework. It is recommended later in this report that Part 8 be removed from the Code (see point 2.8.1). Therefore, the Code will be unable to provide for dispute resolution between Code participants if they cannot reach an agreement, under the Communication Rules, on the contents of the Build Pack's documents. It is also understood that Part 7 of the Customer Transfer Code will have to be removed, for the same reasons that Part 8 of the Code will have to be removed, and therefore the Customer Transfer Code will not be able to provide for dispute resolution between Code participants either.

Despite the proposed absence of a dispute resolution procedure in the Code, it is not considered appropriate to require the Authority to approve the documents that constitute the Build

Pack. The OOE supports outcome focussed and light handed regulation wherever possible and this would create a level of micro-management by the Authority that is unlikely to be efficient or cost effective.

As the Communication Rules are a network operator document, it is considered appropriate that the network operator should develop the "Build Pack". The network operator will be required to develop the "Build Pack" in consultation with Code participants. The "Build Pack" will not require the approval of the Authority (but the Communication Rules will still need to be approved by the Authority). Any documentation that falls under the "Build Pack" concept will be required to meet the requirements of clause 6.5 of the Code to ensure the network operator establishes a "Build Pack" that is reasonable and consistent with good electricity industry practice and relevant legislation.

### Recommendation 37

It is recommended that the Code be amended to incorporate the concept of the "Build Pack" in the Communication Rules. A network operator will be required to develop the "Build Pack" in consultation with Code participants and any documentation that falls under the "Build Pack" will be required to be consistent with clause 6.5 of the Code.

## 2.6.2 Transitional provisions for documents

### Summary

Clauses 6.3 and 6.4 are transitional clauses that relate to the establishment of Western Power's initial Communication Rules and the initial Model Service Level Agreement. Since the Code was gazetted these two documents have been approved by the Authority. Consequently, it needs to be considered whether these two clauses should be removed from the Code as it appears that they are now redundant.

### Responses to the Issues Paper

This issue was not addressed in the Issues Paper and no submissions were received in relation to it.

#### Recommendation 38

Whilst it is recommended that clauses 6.3 and 6.4 are removed from the Code, as this issue was not addressed in the Issues Paper, the OOE invites public comment on whether there is any good reason to retain the clauses.

### 2.6.3 Network operator performance reports

#### Summary

Clause 6.6 sets out the requirements for a network operator's MLSA. Clause 6.6(b) stipulates that a MSLA must "for each metering service referred to in clause 6.6(1)(a), specify (i) a detailed description of the metering service; and (ii) a timeframe, and where appropriate other service levels, for the performance of the metering service". However, the Code does not require the network operator to prepare or publish information on its performance in meeting those metering service levels. A network operator has to report on its performance in other areas of its operations, such as the requirements under the *Electricity Industry (Network Quality and Reliability of Supply) Code 2005 (the Network Quality and Reliability Code)* and the Customer Code, and the Issues Paper asked whether a network operator should be required to report on its performance in providing metering services.

To ensure there is transparency and accountability in a network operator's metering operations the Issues Paper also asked whether any metering performance report must be made public, possibly through publication on the network operator's internet website, and a copy given to the Minister and the Authority.

### Responses to the Issues Paper

Alinta, Synergy and WACOSS supported an amendment requiring network operators to publish performance reports on metering service levels.

Synergy submitted that without performance reporting it is unclear how the incentive for improvement will be created. Reporting is also important so that users can get certainty and determine the value of the service they are receiving.

Western Power submitted that there should not be a Code obligation on the network operator to publish performance reports on metering service levels as the only parties interested in specific metering service levels are retailers. Western Power suggested that as metering service levels are not prescribed in the Code, performance reports should form part of a service level agreement and can be structured to accommodate individual retailer's needs.

#### The OOE's response to the submissions

It is recommended that the Code be amended to require network operators to publish performance reports annually on Code requirements relating to the timely collection and provision of data.

The network operator will be required to provide a copy of the report to the Minister and the Authority and make the report publicly available by 1 October in the financial year following the financial year that is being reported on. A copy of the report will be required to be given to the Minister and the Authority at least five business days before it is published.

This will require a network operator to carry out additional reporting on its performance and the OOE is conscious that the imposition of additional reporting requirements on network operators needs to demonstrate that the benefits to industry, government and consumers outweigh the costs associated with meeting those requirements.

It is recommended that a network operator be required to keep records and prepare a report annually on meeting the requirements of clauses 5.3, 5.4(1), 5.6(1), 5.6(2), 5.7, 5.12(1), 5.13(2) and 5.14(3)(b) of the Code. In relation to clause 5.4(1), the network operator will be required to report on how many meters it has read and not read. It is also recommended that network operators will be required to prepare a report under the Code only if, during the reporting year, the network operator had one or more small use customers (it is recommended that the Code define “small use customer” as a customer who consumes not more than 160 MWh of electricity per annum).

The proposal to require a network operator to report on its performance against the prescribed service standards in the MSLA or service level agreements is not supported. A network operator may have more than one retailer on its network and there is the potential under the Code for the network operator to have individual service level agreements with those retailers that prescribe different service standards (as opposed to a network operator and all the retailers on its network operating under the MSLA). To ensure reporting by network operators is consistent, and to provide certainty that the reporting will provide for the performance of the network operator as whole against prescribed requirements, it is considered preferable to require network operators to report on their performance against the requirements of the Code itself rather than the MSLA or individual service level agreements. However, the Code does not prohibit a network operator and Code participant agreeing in a service level agreement that the network operator will report on its performance in meeting the service level agreement’s prescribed service standards.

Service level agreements may contain commercially sensitive information and if a network operator was required to make public its performance against prescribed service standards in individual service level agreements, the service standards it has agreed with individual retailers would be disclosed too.

Clauses 5.3, 5.6(1), 5.6(2), 5.7, 5.12(1) and 5.14(2)(b) require a network operator to carry out a requirement within a certain timeframe but allow that timeframe to be varied by a service level agreement. Subsequently, a network operator may not be required to comply with the timeframes in the Code but rather the timeframes in the service level agreement. Therefore, in the circumstances where a service level agreement has been agreed between a network operator and Code participant, it is recommended that a network operator is required only to report on the requirements of clauses 5.3, 5.6(1), 5.6(2), 5.7, 5.12(1) and 5.14(2)(b) if the relevant timeframes in any applicable service level agreement are the same as the Code’s timeframes.

#### **Recommendation 39**

It is recommended that the Code be amended to require a network operator to keep records, and prepare and publish performance reports annually on, meeting the requirements of clauses 5.3, 5.4(1), 5.6(1), 5.6(2), 5.7, 5.12(1), 5.13(2) and 5.14(3)(b) of the Code. This requirement will apply only to a network operator that had one or more small use customers connected to its network during the year.

The network operator will be required to provide a copy of the report to the Minister and the Authority and make the report publicly available by 1 October in the financial year following the financial year that is being reported on. A copy of the report will be required to be given to the Minister and the Authority at least five business days before it is published.

### **2.6.4 Metering Management Plan and AS 1284**

#### **Summary**

Clause 6.8 sets out the requirements for a network operator’s Metrology Procedure. Clause 6.8(d) states that a Metrology Procedure must

at least be consistent with the approved asset management system required by section 14 of the EI Act (under section 14 it is a condition of every licence, other than a retail licence, that the licensee must have an asset management system that is approved by the Authority). Under clause 2.7.4 of the Metrology Procedure a network operator must ensure that a Metering Management Plan is established and maintained for the testing and inspection requirements of whole-current (direct connected) meters. When the Authority approved the Metrology Procedure it also approved the Metering Management Plan. Regulation 9 of the *Electricity (Supply Standards and System Safety) Regulations 2001 (the Supply Standards Regulations)* requires a network operator to submit its metering management plan to the Director of Energy Safety for approval. The metering management plan is therefore approved by both the Authority and Energy Safety.

In 2008 Energy Safety undertook a review of its legislation, which included the Supply Standards Regulations. During this process metering provisions within the Supply Standard Regulations (including regulation 9) were identified that are now potentially outside Energy Safety's remit because the Code provides for the metering of the supply of electricity, including metering quality and accuracy provisions. Consequently, a requirement no longer exists for Energy Safety to be involved in the approval of the Metering Management Plan and the OOE and Energy Safety are currently in the process of repealing regulations 8 and 9 of the Supply Standards Regulations.

The Issues Paper proposed that a minor amendment is made to clause 6.8(d) to add a requirement for the systematic treatment of populations of meters in accordance with Australian Standard AS 1284. 13:2002 "Electricity metering – In-service compliance testing". Such an amendment would allow the repeal of regulation 9 of the Supply Standards Regulations.

With the repeal of regulation 9 of the Supply Standards Regulations, the statutory requirement for a "Metering Management Plan" will no longer exist. This is not to say that the Metering Management Plan cannot be retained and continue to form part of the Metrology Procedure.

### Responses to the Issues Paper

Alinta expressed concern that adding a requirement for the systematic treatment of populations of meters in accordance with AS 1284.13:2002 has the potential to result in significant additional costs.

Western Power supported an amendment to clause 6.8(d) requiring the systematic treatment of populations of meters in accordance with AS 1284.13:2002. Western Power also noted that it proposes to retain the Metering Management Plan as part of the Metrology Procedure.

### The OOE's response to the submissions

The Metrology Procedure defines "meter" as "a device [complying with the relevant requirements of the AS 1284 series of standards] which measures and records the production or consumption of electrical energy, electricity production or consumption".

Schedules 1, 2 and 3 of the Metrology Procedure specifically require that all new meters must comply with AS 1284 and clause 2.7.3 of the Metrology Procedure states "The *meter management plan* referred to in clause 2.7.2 must include, as a minimum, the requirements of the Australian Standard 'AS 1284 Part 13: In-service compliance testing'."

The Metrology Procedure already requires meters to be compliant with the AS 1284 series of standards. The Metrology Procedure also includes the Metering Management Plan which includes the requirement to systematically sample and test meters in accordance with AS 1284.13:2002. Therefore, the recommended Code amendments will not result in the network operator having to

comply with more onerous obligations than it has to comply with currently. However, the proposed amendments will ensure that the Code itself (rather than the Metrology Procedure and the Metering Management Plan) requires a network operator to ensure its meters are compliant with the AS 1284 series of standards and the appropriate sampling and testing of meters is conducted by the network operator.

#### Recommendation 40

It is recommended that the Code's definition of "meter" be amended to reflect the Metrology Procedures definition of "meter", which is "a device [complying with the relevant requirements of the AS 1284 series of standards] which measures and records the production or consumption of electrical energy, electricity production or consumption."

An amendment to clause 6.8(d) is recommended that requires the Metrology Procedure to provide for the systematic sampling and testing of meters in service in accordance with AS 1284. 13:2002.

### 2.6.5 Establishing a registration process

#### Summary

Clause 6.9(1) states that a network operator may establish a proposed registration process and submit it to the Authority for its approval under Division 6.2. The use of the word "may" suggests that this process is discretionary. This is consistent with clause 6.1(1)(f) which states that a network operator must comply with "its registration process (if any)". However, clause 3.27 states that a person cannot install a metering installation on a network unless they are the network operator or a registered metering installation provider for the network operator. The term "registered metering installation provider" is defined as "a person registered by a network operator under clause 3.28, and who has not been deregistered under the registration process". "Registration process" is defined as a process

under clause 6.9, approved by the Authority under Division 6.2.

Consequently, the process in clause 3.28 is linked to clause 6.9. It could be interpreted that the network operator must establish a registration process in order to comply with clauses 3.27 and 3.28. However, this is contradicted by clause 6.9, which indicates that establishing a registration process is not mandatory for a network operator.

In order to avoid any uncertainty in relation to the operation of clause 3.27, and to clarify whether network operators are obligated to submit to the Authority a proposed registration process that complies with clause 6.9, the Issues Paper asked whether an amendment to the Code should be made.

#### Responses to the Issues Paper

Alinta submitted that the reason it is not mandatory to establish a registration process is because the network operator may elect to install every metering installation itself. Consequently, Alinta submitted that it is unclear that it is either necessary or desirable to amend the Code to require a network operator to establish a registration process.

Synergy recommended that clause 6.9 should be amended to make it clear that the network operator must establish a registration process and submit it to the Authority for approval. Synergy submitted that it currently experiences a number of issues with Western Power's Contractor Connect Scheme. Despite the MSLA, contractors can unilaterally install and energise meters without Synergy's knowledge and remove meters without Synergy's permission or knowledge. This creates cost, billing and customer issues for Synergy. Synergy believes that regulatory oversight and the requirement to submit the registration process to the Authority for approval will provide the necessary control and compliance. In particular, it will ensure that premises are not energised and the process to transfer electricity does not occur unless the retailer has made the request to do so under its access contract and the MSLA.

Western Power questioned the need for the registration process to be approved by the Authority. Western Power currently has a scheme which has registered meter installers. Western Power has a registration process for this scheme which is not approved by the Authority. Western Power recommended that clause 6.9 should be amended to read “A network operator must establish a registration process.”

#### **The OOE’s response to the submissions**

The Code makes provision for the network operator to install its own metering installations. If a network operator decides to use its own employees it is not considered appropriate to require the network operator to establish a registration process as there will be no need for such a process.

It is also noted that under clause 3.27 a person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator. A “registered metering installation provider” is a person registered by a network operator under its “registration process”, which is approved by the Authority.

The issue of contractors unilaterally installing and energising meters, and removing meters, without the retailer’s permission or knowledge, is not considered an issue that can be addressed by amendments to clause 6.9 or the Code’s provisions for the registration process generally. This is a matter for the network operator and retailer to address through their contractual arrangements.

It is also noted that compliance with the Code is a requirement of a distribution licence; and therefore a network operator must adhere to the Code (and the MSLA or applicable service level agreement) when conducting metering operations that fall under the Code.

#### **Recommendation 41**

A Code amendment is not recommended.

## **2.6.6 Approval procedure for approved documents**

### **Summary**

Under clause 6.13, if a network operator submits a proposed document to the Authority, the Authority must within 30 business days of submission make a decision whether or not to approve the document (and if the Authority’s decision is not to approve the document it must notify the network operator of the amendments which would have to be made in order for the Authority to approve the document). The Authority may extend the time limit by no more than an aggregate of 30 business days.

In total, the Authority may take 60 business days to make a determination. Documents that are approved under the Code can be lengthy and complex and the Issues Paper asked whether it is in the interests of the Code’s objectives to provide the Authority with more time to determine whether a document should be approved or not.

### **Responses to the Issues Paper**

Synergy supported an amendment to provide a mechanism for the Authority to be provided with more time to determine whether to approve a document or amendments to a document. However, Synergy submitted that at this stage it has not formed a view of what the appropriate mechanism should be. Synergy suggested that one option may be to provide the Authority with specific circumstances where it may suspend certain deadlines under the Code’s approval procedure.

Western Power believes the Code’s current timeframes are suitable. However, it would not oppose a clause allowing for a reasonable submission for an extended time period that is agreed by the parties.

### **The OOE’s response to the submissions**

The timelines and obligations on the Authority to approve documents under the Code are intended

to ensure that decisions are made promptly and strategically; and do not unnecessarily delay commercial activity. The Authority may be faced with circumstances where it is reasonable for it to have more than 60 business days to approve a document. However, it is not considered appropriate to provide the Authority with an unconditional power to extend its deadlines indefinitely, potentially at the expense of the business efficiency of Code participants.

#### **Recommendation 42**

It is recommended that the Code be amended to make available to the Authority additional extensions to the aggregate of 60 business days in clause 6.13. Extensions must be agreed with the network operator and will be available only if the Authority has taken all reasonable steps to fully utilise the time it has already been provided with. The Authority will be required to publish on its website a notice of, and reasons for, its decision to extend the time limit and report the extension in its annual report.

### **2.6.7 Authority drafts its own documents**

#### **Summary**

Clauses 6.16 and 6.17 relate to the submission by a network operator of an amended document and the ability of the Authority to draft and approve its own document if the network operator fails to submit an amended document or the Authority makes a decision not to approve an amended proposed document.

Clause 6.17 permits the Authority to draft and approve its own proposed MSLA and Communication Rules but the Code does not allow the Authority to draft its own proposed registration process, Metrology Procedure or Mandatory Link Criteria. The issues this raises is that the Code is silent on what the consequences are if the network operator fails to submit an amended document (or the Authority decides not to approve it) of the type that the Authority is not allowed to draft and

approve itself. The network operator would not have an approved document and would be in breach of the Code and its electricity licence.

The Code does not stipulate what action is subsequently required to be taken by the network operator or Authority to be compliant with the Code. Is the network operator required to resubmit amended documents until approval is obtained or does the approval process start again from the beginning? The Issues Paper asked whether an amendment to clause 6.17 is required to clarify the process that must be followed if a network operator fails to submit an amended document (or the Authority does not approve the amended document) in cases where the Authority is not permitted to draft and approve its own document.

#### **Responses to the Issues Paper**

Synergy supported an amendment to clause 6.17. In addition, Synergy recommended that where these circumstances occur the amendment should require that the Authority must establish the Metering Advisory Committee and give regard to the advice provided by the Metering Advisory Committee.

Western Power recommended that clause 6.17(1) be removed to allow the Authority to draft and approve its own documents.

#### **The OOE's response to the submissions**

To ensure consistency in the way all the Code's subordinate documents are treated and the Code provides adequately for the establishment of all its subordinate documents (i.e. they will be established one way or the other under the Code), it is recommended that clause 6.17(1) is removed from the Code.

An amendment to the Code to require the Authority to establish a Metering Advisory Committee in the circumstances where it has to draft its own document is not considered justified. The Code provides the Authority with the discretion to establish the Metering Advisory

Committee if it requires advice on a document and this is considered adequate provision for ensuring the Authority has an avenue available to it to be provided with expert knowledge when required.

#### **Recommendation 43**

It is recommended that clause 6.17(1) be removed from the Code.

## **2.6.8 Review and amendment of a network operator's documents**

### **Summary**

Clause 6.20 allows the Authority to require a network operator to amend a document approved by the Authority under the Code. Before requiring an amendment to a document, the Authority must initiate a review of the document. Within 50 business days of initiating the review the Authority must publish its draft findings and allow a period of at least 20 business days after publication of the findings for persons to make submissions. Within 10 business days after the end of the period allowed for submissions, the Authority must publish its final findings.

The Issues Paper asked whether the timeframes provided under clause 6.20 (in number of business days) are sufficient for the Authority to review an approved document, effectively conduct a detailed consideration of the submissions it receives, conduct discussions with Code participants that may be required and draft and publish final findings.

Deadlines that cannot be extended may create procedural difficulties for the Authority and Code participants, especially a network operator, as amendments to an approved document that are not finalised by the due date would not be implemented. This may leave the Authority open to having to review the approved document again in order to implement amendments in line with the Code's requirements.

### **Responses to the Issues Paper**

Synergy agreed that if deadlines under clause 6.20 cannot be extended, it may create procedural difficulties for the Authority and Code participants. Synergy supported an amendment that would give the Authority the ability to extend a deadline or submission period, including the Authority being able to consider and accept late submissions.

Western Power believes the Code's current timeframes are suitable. However, it would not oppose a clause allowing for a reasonable submission for an extended time period that is agreed by the parties.

### **The OOE's response to the submissions**

The timelines and obligations on the Authority to review documents are intended to ensure that decisions are made promptly and strategically; and do not unnecessarily delay commercial activity. The Authority may be faced with circumstances where it is reasonable for it to have more time to review a document. However, it is not considered appropriate to provide the Authority with an unconditional power to extend its deadlines indefinitely.

#### **Recommendation 44**

It is recommended that the Code be amended to make available to the Authority additional extensions to timeframes in clause 6.20. Extensions must be agreed with the network operator and will be available only if the Authority has taken all reasonable steps to fully utilise the time it has already been provided with. The Authority will be required to publish on its website a notice of, and reasons for, its decision to extend the time limit and report the extension in its annual report.



## 2.6.9 Any other matters relating to Part 6

### Summary

The Issues Paper asked for submissions on any other matters relating to Part 6 of the Code that were not covered in the Issues Paper.

### Responses to the Issues Paper

Synergy submitted that clause 6.12 should reflect that the Authority, subject to establishing the Metering Advisory Committee, must determine the governance parameters for the Metering Advisory Committee. The Authority may determine the role, functions, composition and procedures of the Metering Advisory Committee but clause 6.12 is not clear who should determine these governance parameters if the Authority chooses not to.

### Recommendation 45

It is recommended that clause 6.12 be amended to require that the Authority must, if it decides to establish the Metering Advisory Committee, determine the role, functions, composition and procedures of the Metering Advisory Committee before it is established.

## 2.7 Notices and Confidential Information

### 2.7.1 Permitted disclosure

#### Summary

The Issues Paper asked whether the Code should be amended to allow Code participants greater flexibility in the use of “confidential information”, including allowing the disclosure of metering data to a third party with the customer’s consent.

#### Responses to the Issues Paper

Alinta submitted that it is unclear why clause 7.6(2)(d) cannot be relied upon by the network operator to obtain consent from affected Code participants to disclose metering data as part of a national program.

The IMO submitted that with the increasing number of Demand Side Management services which are contracted by third parties it would be beneficial if the Code was amended to allow Code participants greater flexibility in disclosing meter data to third parties. This, in turn, would provide the IMO with greater flexibility in disclosing the meter data used to calculate a “Curtailed Load’s Relevant Demand” (a requirement under the Market Rules which the IMO believes is inhibited by the confidentiality provisions of the Code).

Infogen Energy supported an amendment to allow the disclosure of metering data to a third party with the consent of the customer.

Synergy expressed concern that it would not be practical for a Code participant to obtain a customer’s consent every time it needed to use and disclose the data for the purposes of supplying electricity, including determining pricing and tariffs. Therefore, Synergy recommended that the Code be amended to clearly permit Synergy to use and disclose energy and standing data for the purposes of supplying electricity; and disclose this data to

the state and federal government or regulatory authorities for purposes of electricity supply.

WACOSS supported a Code amendment providing that the Code is very specific that a network operator must obtain the informed consent of a customer before sharing the data. WACOSS also recommended that the Code be amended to contain provisions for consumer representative organisations to be considered third parties that data can be disclosed to.

Western Power supported a Code amendment but submitted that the wording of the amendment needs to be clear and specific about the process of gaining consent from the retailer and / or customer; and data can only be provided from the network operator's registry.

### **The OOE's response to the submissions**

Amendments to the Code are recommended that will allow for the disclosure, use or reproduction of metering database information by Code participants with the written consent of the relevant customer. This will mean that a Code participant will be permitted to disclose energy data to a customer's representative if the customer consents to the disclosure.

Clause 7.6(2)(d) is not sufficiently clear to be relied upon by a Code participant to disclose "confidential information". This is primarily because the Code does not define "affected Code participant". Clauses 7.6(2)(b) and 7.6(2)(c) also refer to "affected Code participant". It is recommended that the Code define "affected Code participant" as the Code participant who is the "user" with the access contract for the connection point that the relevant "confidential information" relates to or who is the owner of the relevant "confidential information" under the Code. This will mean that if the retailer is doing the disclosing under clauses 7.6(2) the "affected Code participant" will be the owner of the data under the Code, which is the network operator. If the network operator is doing the disclosing the "affected Code participant" will be the "user" (i.e. the retailer).

In relation to retailers being able to use and disclose energy and standing data for the purposes of supplying electricity, it is noted that under clause 7.6(2)(a) a Code participant may disclose or permit the disclosure of "confidential information" to its officers, employees or consultants engaged by the Code participant. The proposed amendment to define "affected Code participant" will mean that a retailer can, with the consent of the owner of the energy data (which must not be unreasonably withheld), disclose that data to a third party under clause 7.6(2)(d).

### **Recommendation 46**

It is recommended that the Code be amended to allow for the disclosure, use or reproduction of metering database information by Code participants with the written consent of the relevant customer.

It is recommended that the Code be amended to define "affected Code participant" as the Code participant who is the "user" with the access contract for the connection point that the relevant "confidential information" relates to or who is the owner of the relevant "confidential information" under the Code.

## 2.8 Dispute Resolution

### 2.8.1 Dispute resolution

#### Summary

The Authority is a Code participant and is required by Part 6 of the Code to approve documents submitted to it by a network operator. Also, it is a condition of every electricity licence that is issued by the Authority that licensees must comply with the Code. The performance of licensees is monitored through a compliance and performance reporting regime and the completion of regular performance audits and asset management reviews. The EI Act provides a range of mechanisms by which the Authority is able to enforce licensee compliance.

Under Part 8 of the Code, the Authority acts as the arbitrator of disputes which arise between network operators and Code participants (other than the Authority). It needs to be considered whether it is appropriate for the Authority to be the arbitrator of disputes between Code participants when it has a role under the Code in approving a network operator's documents and monitors and enforces electricity licensees' compliance with the Code.

The Issues Paper asked whether the Authority should be replaced as the arbitrator of disputes under the Code and, if so, who should replace the Authority. The Issues Paper suggested the Western Australian Electricity Review Board or the Western Australian Energy Disputes Arbitrator (**the Energy Arbitrator**) as potential alternatives to the Authority.

#### Responses to the Issues Paper

Alinta submitted that it would not object to the Energy Arbitrator replacing the Authority as the arbitrator under Part 8 of the Code.

Horizon Power supported replacing the Authority with the Energy Arbitrator as the arbitrator under Part 8, while Western Power submitted that the Authority should remain as the arbitrator.

#### The OOE's response to the submissions

Given the express dispute resolution provisions in the EI Act in relation to the *Electricity Networks Access Code 2004 (the Access Code)* and the Market Rules, and the absence of any such provision in relation to codes made under section 39 of the EI Act, Part 8 of the Code is considered beyond the scope of the EI Act.

In the absence of express statutory provisions enabling a dispute resolution mechanism to operate, dispute resolution provisions in the Code are not consistent with the enforcement of the Code through the licensing regime. Compliance with the Code is a licence condition and, therefore, enforcement is by means of the licence enforcement provisions in the EI Act. In contrast, the Access Code and the Market Rules are not based on the licensing regime, and express provision is made in the EI Act for their enforcement by means of penalties, civil penalties and other proceedings and sanctions.

The Customer Transfer Code, like the Code, is also made under section 39 of the EI Act and contains dispute resolution provisions (Part 7). Consequently, dispute resolution is not a matter that the Customer Transfer Code can provide for under section 39 of the EI Act.

The Code's subordinate documents take their dispute resolution procedures from Part 8 of the Code and this will need to be addressed in any review of those documents.

#### Recommendation 47

It is recommended that Part 8 and all references to "dispute" and "disputing party" are removed from the Code.

It is recommended that Part 7 and all references to "dispute" and "disputing party" are removed from the Customer Transfer Code.

## 2.8.2 Any other matters relating to Part 8

### Summary

The Issues Paper asked for submissions on any other matters relating to Part 8 of the Code that were not covered in the Issues Paper.

### Responses to the Issues Paper

Western Power submitted that there is value in considering whether the Code should give network operators the authority to compel customers and users to comply with the Code's requirements. For example, if a network operator advises a customer or user that they need to take action to comply with the Code then the customer or user must comply with the network operator's direction. The Code should also specify any consequences for a customer or user if they knowingly go against the direction of the network operator.

### The OOE's response to the submissions

Clause 1.2 of the Code stipulates who the Code applies to. This does not include the "customer" (unless the customer is a user with an access contract at a connection point but this is highly unlikely). The Customer Code regulates the relationship between retailer / network operator and customer (customers who consume not more than 160 MWh of electricity per annum). It is also noted that retailers operate under a retail licence and compliance with the Code is a condition of licences issued by the Authority. If a licensee potentially fails to comply with an obligation under the Code it is the Authority's role to monitor and enforce compliance with licence obligations (and therefore the Code's obligations), not the network operator's.

### Recommendation 48

A Code amendment is not recommended.

## 2.9 Code Amendment and review

### 2.9.1 Matters relating to Part 9

#### Summary

The Issues Paper asked for submissions on any matters relating to Part 9 of the Code.

#### Responses to the Issues Paper

Western Power submitted that amendments to the Code could have been made since 2005 and recommended that a co-ordinated working group be established to meet annually to consider any Code amendments raised by Code participants.

#### The OOE's response to the submissions

It is recognised that there is benefit in increasing communication between government and industry on the effectiveness of the Code to meet its objectives.

### Recommendation 49

It is recommended that the OOE investigate mechanisms for increasing communications between itself and industry to ensure that the Code continues to meet its objectives. This may include an audit 12 months after amendments to the Code have been made to assess the effectiveness of the amendments.

## 2.10 Appendices

### 2.10.1 Meter types in Table 3 in Appendix 1

#### Summary

Table 3 in Appendix 1 prescribes the different metering installation types and accuracy requirements for Part 3 of the Code. The Issues Paper asked whether Table 3 needs to be updated to reflect new metering installation types.

#### Responses to the Issues Paper

Alinta submitted that clause 3.9(3) of the Code states that metering installations, and by definition meters, must at least meet the requirements for that type of metering installation specified in Table 3 in Appendix 1. The Code is intended to prescribe only minimum requirements for meters and metering installations based on the annual throughput at connection point. Alinta does not believe the Code represents an impediment to network operators wishing to install smart meters or PPMs at Type 6 metering installations, provided these meters at least meet the requirements of Table 3 in Appendix 1. Therefore, Alinta did not support Table 3 in Appendix 1 being updated. Alinta expressed concern that providing a complete list of metering installations types that are being installed and connected to the network would make the obligations imposed on network operators, and therefore the costs being imposed on retailers (and customers), unclear. For example, if Table 3 specified that smart meters and PPMs may be installed at Type 6 metering installations, what is the minimum meter type that should be installed or for which the retailer (and customer) should be required to pay?

Western Power recommended that Table 3 in Appendix 1 be amended. Western Power offered smart meters on remote communications as an example of metering that is missing from Table 3.

#### The OOE's response to the submissions

Types 1 to 6 metering installations contain a single revenue meter (and may also contain a check meter). These meters are either accumulation or interval meters (see clauses 3.2 and 3.3 respectively).

Division 3.4 provides for Code participants and the network operator to be able to agree to use any evolving technologies, whether or not those technologies have enhanced features, provided that the agreed evolving technology meets or exceeds the performance and function requirements of the Code. Meters may be provided with a range of enhanced technology features, including pre-payment facilities and bi-directional (multi-quadrant) energy measurement. Meters with these enhanced technology features are not types of meters under the Code, but rather accumulation or interval meters with additional capabilities. Therefore, the OOE does not believe there is justification for amending Table 3 in Appendix 1.

#### Recommendation 50

A Code amendment is not recommended.

### 2.10.2 Annual throughput at connection point

#### Summary

The metering installation types in Table 3 in Appendix 1 are based on throughput rather than capacity. The throughput amount is nominated by the user and accepted by the network operator as the true amount. However, the user could potentially nominate a lower throughput amount than is required in order to have a cheaper class of metering installation. Basing the metering installation types on capacity instead of throughput may resolve this issue as the user would have to choose a metering installation type commensurate with the total capacity that they required. If metering installation types were based on capacity,

the Issues Paper noted that consequential amendments to Tables 4 to 7 in Appendix 1 may be required as they are based on throughput.

### **Responses to the Issues Paper**

Alinta submitted that gas distribution services and tariffs are based on capacity rather than throughput. Alinta expressed concern that it is unclear whether, in electricity, different electricity consumption profiles that resulted in the same annual consumption (i.e. different capacities) would be expected to affect metering accuracy, as would appear to be the case in the gas industry. Alinta suggested that a proposal to base electricity metering types in Table 3 in Appendix 1 on capacity should demonstrate that capacity affects the accuracy of each meter type, and therefore the higher capacity, the greater the need for a higher level of metering accuracy.

Western Power recommended that metering installation types should be based on capacity at the connection point due to the possible fluctuations in throughput of a connection point after the metering installation has been established.

### **The OOE's response to the submissions**

It is noted that this report (point 2.3.14) recommends an amendment to the Code to provide network operators with the authority to determine the metering installation "Type" that must be installed at a connection point, thus providing network operators with control over how annual throughput is calculated.

### **Recommendation 51**

A Code amendment is not recommended.

## **2.10.3 Appendix 5**

### **Summary**

The Issues Paper suggested that Appendix 5 should be removed from the Code because the services and charges prescribed in Appendix 5 are also prescribed in the MSLA. Since the Code was gazetted the charges in the MSLA have increased compared to those in the Code. The process for amending the MSLA is less onerous than for amending the Code.

To avoid duplication and the potential for inconsistency between the two documents, the Issues Paper proposed that Appendix 5 be removed from the Code.

### **Responses to the Issues Paper**

Alinta, Synergy and Western Power supported the Issues Paper's recommendation.

### **Recommendation 52**

It is recommended that Appendix 5 be removed from the Code.

## 3. Appendix A – Summary of Recommendations

### Recommendation 1

#### 2.1.1 Code definitions

Amend the following definitions:

##### “Code of Conduct”

Amend to reflect that:

- the *Code of Conduct For the Supply of Electricity to Small Use Customers 2004* has been updated; and
- the Customer Code is now made by the Authority under section 79 of the EI Act, not the Minister (the Minister made the inaugural Customer Code in 2004 but subsequent versions have been, and will be, made by the Authority).

##### “connection point”

Amend to incorporate an entry point or an exit point for which the metering installation includes a PPM.

##### “dispute”

Remove from the Code (see Recommendation 47 for further information).

##### “disputing party”

Remove from the Code (see Recommendation 47 for further information).

##### “generator”

Replace reference to “section 31A of the *Electricity Corporation Act 1994*” with “section 62 of the *Electricity Corporations Act 2005*”.

##### “good electricity industry practice”

- Replace “enactments” with “written laws”.
- For consistency, it is recommended that all references in the Code to “enactments” be replaced with “written laws”.

##### “meter”

- Delete the words “but under clause 3.24 does not include a pre-payment meter”.
- Add “and the relevant requirements of the AS 1284 series of standards” after “means a device complying with this *Code*”.

##### “metering database”

Amend clause 4.1(1) to include the “registry”.

##### “metering equipment”

Delete the words “but under clause 3.24 does not include a *pre-payment meter* or any part thereof”.

##### “metering installation”

Delete the words “(excluding under clause 3.24 any of the devices and methods of the purpose of metrology in connection with a *pre-payment meter*)”.

##### “metropolitan area”

Amend the definition to reflect the definition of “metropolitan area” in the Customer Code. This means the amended definition will refer to the region described in Schedule 3 of the *Planning and Development Act 2005* and the townships as constituted under section 26 of the *Land Administration Act 1997*.

##### “network operator”

- Replace reference to “*Electricity Corporation Act 1994*” with “*Electricity Corporations Act 2005*”.
- Replace “enactments” with “written laws”.

##### “NMI”

Replace “metering point” with “connection point”.

**“retailer”**

- Replace reference to “*Electricity Corporation Act 1994*” with “*Electricity Corporations Act 2005*”
- Replace “enactments” with “written laws”.

Include the following new definitions:

**“Australian Standards”**

It is recommended that the Code define “AS” as “followed by a designation means a standard so designated published by Standards Australia Limited and current as at the Code’s commencement date”.

**“small-use customer”**

It is recommended that the Code define “small use customer” as a customer who consumes not more than 160 MWh of electricity per annum.

**“written laws”**

It is recommended that “written laws” be defined as all Western Australian Acts and subsidiary legislation and all Commonwealth Acts and subsidiary legislation that are in force.

**Recommendation 2****2.1.2 New Code participants**

A Code amendment is not recommended.

**Recommendation 3****2.1.3 Publication of approved documents and meaning of “publish”**

It is recommended that clause 1.6 be amended to expand the meaning of “publish” to include making the document publicly available in an appropriate format so that it is available to any interested party and maintaining the availability of the document once it has been published. The minimum requirement will be publication on the internet and the availability to the public of copies at no cost at the network operator’s place of business during normal working hours.

It is recommended that clause 6.20(4) be amended to stipulate that the network operator must “publish” the amended document once the document has been amended in accordance with the Authority’s final findings.

A consequential amendment to the Customer Transfer Code is also recommended.

**Recommendation 4****2.1.4 Exemptions from Code provisions**

A Code amendment is not recommended.

**Recommendation 5****2.2.1 Arms-length treatment**

It is recommended that clause 2.2 be amended so it does not apply to network operators who have only one retailer on their network.

**Recommendation 6****2.3.1 Meter registers**

A Code amendment is not recommended.

**Recommendation 7****2.3.2 Accumulated electricity production and consumption**

A Code amendment is not recommended.

**Recommendation 8****2.3.3 Meters that can run backwards and bi-directional flow**

It is recommended that the Code be amended to expressly prohibit a meter on a network from running backwards. This amendment will apply only to meters that are installed after the Code is amended.



## Recommendation 9

### 2.3.4 Sub-meters

A Code amendment is not recommended.

It is recommended that the Government develop a policy framework and associated legislation to provide protection to electricity consumers who are not direct customers of a licensed retailer. The framework should also address the interests of residential and commercial on-sellers.

## Recommendation 10

### 2.3.5 Ownership and maintenance of the components of a metering installation

A Code amendment is not recommended.

## Recommendation 11

### 2.3.6 Including the “meter” in clause 3.5

A Code amendment is not recommended.

## Recommendation 12

### 2.3.7 Non-compliant metering installations

Amend clause 3.5(9)(b) to add the words “the non-compliance” to the end of the clause.

## Recommendation 13

### 2.3.8 Reliability of metering installations

It is recommended that clause 3.11(1) be amended to clarify that the clause relates to the collective operational availability of a metering installation as a system to record and provide energy data.

## Recommendation 14

### 2.3.9 Metering installations commissioned prior to commencement of the Code

A Code amendment is not recommended but stakeholders are asked for their views on

imposing a time limit on clause 3.14. For example, the Code could be amended so that clause 3.14 expires in 2015.

## Recommendation 15

### 2.3.10 Bi-directional metering of generation plants

A Code amendment is not recommended.

Alinta’s proposal that a sample of facilities be analysed to quantify the level of inaccuracy is supported. It is recommended that the IMO conduct the analysis and the OOE will liaise with the IMO on this matter.

## Recommendation 16

### 2.3.11 Communications links for Type 5 and Type 6 metering installations

A Code amendment is not recommended.

## Recommendation 17

### 2.3.12 Notional wholesale meter value

It is recommended that clause 3.16(4) be removed from the Code. It is also recommended that the Authority considers a consequential amendment to the Metrology Procedure to remove the requirement on the network operator to produce the notional wholesale meter value.

## Recommendation 18

### 2.3.13 Pre-payment meters

It is recommended that the Code be amended to require a network operator to install and operate a PPM requested by a retailer in a manner that enables the retailer to comply with its obligations under the Customer Code.

**Recommendation 19****2.3.14 Determining the metering installation “Type” that should be installed**

It is recommended that, for the avoidance of doubt, the Code be amended to provide network operators with the authority to determine the metering installation “Type” that must be installed at a connection point.

**Recommendation 20****2.3.15 Any other matters relating to Part 3**

It is recommended that clause 6.6(1) be amended to include “the *Code of Conduct*” before “and the *Customer Transfer Code*”.

**Recommendation 21****2.3.15 Any other matters relating to Part 3**

- a) It is recommended that clause 3.12(d) be amended to read, “if a VT is required as part of a metering installation and only one secondary winding is provided from it, then the voltage supply to the metering point must be separately fused and located in an accessible position as near as practicable to the VT secondary winding”.
- b) It is recommended that clause 3.16(3) be amended to remove the requirement for an agreement between the network operator and Code participant to be reached for interval energy data to be recorded in sub-multiples of the trading interval. However, a requirement will remain for interval energy data to be recorded in a trading interval or sub-multiples of a trading interval.
- c) It is recommended that clause 3.16(1) be amended to replace “internal” with “interval”.
- d) It is recommended that clause 3.4 be amended to exempt Automated Meter Reading systems that are not owned by the network operator from the clause

**Recommendation 22****2.4.1 Standing data items**

A Code amendment is not recommended.

**Recommendation 23****2.4.2 Rights of access to data**

It is recommended that the Code be amended to provide users’ customers with the same rights that users are provided under clause 4.8(3).

It is also recommended that the Code be amended to provide that the network operator is entitled to charge for reasonable costs incurred by the network operator in order to provide that access.

**Recommendation 24****2.4.3 Any other matters relating to Part 4**

To provide clarity to Code participants it is recommended that “manifest error” be defined in the Code as an error that is obvious and indisputable.

In relation to what must occur when a “manifest error” is identified, it is recommended that the Code be amended to require the owner of the data that is in manifest error to use its best endeavours, with the support of the affected Code participants, to rectify the error.

**Recommendation 25****2.5.1 Clause 5.4 and interval meters**

A Code amendment is not recommended.

**Recommendation 26****2.5.2 Frequency of meter readings that generate an actual value**

A Code amendment is not recommended.

**Recommendation 27****2.5.3 Meter readings and “actual value”**

It is recommended that the Code define “actual value” as the physical collection of energy data from a metering point or the remote collection of energy data from a metering point by way of a communications link. It is also recommended that the definition clarifies that an “actual value” includes a reading provided by the customer to the network operator.

**Recommendation 28****2.5.4 Using “reasonable endeavours” to undertake a meter reading**

It is recommended that “reasonable endeavours” in clauses 5.4(1) and 5.4(2) be replaced with “best endeavours”.

**Recommendation 29****2.5.5 Access to a meter**

A Code amendment is not recommended.

**Recommendation 30****2.5.6 Providing energy data to the IMO**

A Code amendment is not recommended.

**Recommendation 31****2.5.7 Providing energy data to the network operator**

It is recommended that clause 5.16 is removed from the Code.

**Recommendation 32****2.5.8 Retaining energy data**

It is recommended that the Code be amended to require data that has been replaced by better data to be retained in the metering database in

accordance with the timeframes and conditions prescribed in clause 4.9.

**Recommendation 33****2.5.9 Appointment of Electricity Networks Corporation as metering data agent**

A Code amendment is not recommended.

**Recommendation 34****2.5.10 Undercharging and overcharging**

A Code amendment is not recommended.

**Recommendation 35****2.5.11 Any other matters relating to Part 5**

In relation to Synergy’s proposed amendments, the OOE makes the following recommendations:

- a) A Code amendment is not recommended.
- b) A Code amendment is not recommended.
- c) It is recommended that clause 5.12(9) of the Code be amended to remove the following words at the end of the clause: “which results in *energy data* errors in the *network operator’s favour*”.

**Recommendation 36****2.5.11 Any other matters relating to Part 5**

It is recommended that the Code be amended to restrict the application of Division 5.4 so that Western Power is obligated to be a metering data agent for another network operator on the SWIS only (in effect Western Power’s licence operating area).

**Recommendation 37****2.6.1 Network operator must establish Communication Rules**

It is recommended that the Code be amended to incorporate the concept of the “Build Pack” in

the Communication Rules. A network operator will be required to develop the “Build Pack” in consultation with Code participants and any documentation that falls under the “Build Pack” will be required to be consistent with clause 6.5 of the Code.

### Recommendation 38

#### 2.6.2 Transitional provisions for documents

Whilst it is recommended that clauses 6.3 and 6.4 are removed from the Code, as this issue was not addressed in the Issues Paper, the OOE invites public comment on whether there is any good reason to retain the clauses.

### Recommendation 39

#### 2.6.3 Network operator performance reports

It is recommended that the Code be amended to require a network operator to keep records, and prepare and publish performance reports annually on, meeting the requirements of clauses 5.3, 5.4(1), 5.6(1), 5.6(2), 5.7, 5.12(1), 5.13(2) and 5.14(3)(b) of the Code. This requirement will apply only to a network operator that had one or more small use customers connected to its network during the year.

The network operator will be required to provide a copy of the report to the Minister and the Authority and make the report publicly available by 1 October in the financial year following the financial year that is being reported on. A copy of the report will be required to be given to the Minister and the Authority at least five business days before it is published.

### Recommendation 40

#### 2.6.4 Metering Management Plan and AS 1284

It is recommended that the Code’s definition of “meter” be amended to reflect the Metrology Procedures definition of “meter”, which is “a device [complying with the relevant requirements of the AS 1284 series of standards] which

measures and records the production or consumption of electrical energy, electricity production or consumption.”

An amendment to clause 6.8(d) is recommended that requires the Metrology Procedure to provide for the systematic sampling and testing of meters in service in accordance with AS 1284. 13:2002.

### Recommendation 41

#### 2.6.5 Establishing a registration process

A Code amendment is not recommended.

### Recommendation 42

#### 2.6.6 Approval procedure for approved documents

It is recommended that the Code be amended to make available to the Authority additional extensions to the aggregate of 60 business days in clause 6.13. Extensions must be agreed with the network operator and will be available only if the Authority has taken all reasonable steps to fully utilise the time it has already been provided with. The Authority will be required to publish on its website a notice of, and reasons for, its decision to extend the time limit and report the extension in its annual report.

### Recommendation 43

#### 2.6.7 Authority drafts its own documents

It is recommended that clause 6.17(1) be removed from the Code.

### Recommendation 44

#### 2.6.8 Review and amendment of a network operator’s documents

It is recommended that the Code be amended to make available to the Authority additional extensions to timeframes in clause 6.20. Extensions must be agreed with the network operator and will be available only if the Authority

has taken all reasonable steps to fully utilise the time it has already been provided with. The Authority will be required to publish on its website a notice of, and reasons for, its decision to extend the time limit and report the extension in its annual report.

#### **Recommendation 45**

##### **2.6.9 Any other matters relating to Part 6**

It is recommended that clause 6.12 be amended to require that the Authority must, if it decides to establish the Metering Advisory Committee, determine the role, functions, composition and procedures of the Metering Advisory Committee before it is established.

#### **Recommendation 46**

##### **2.7.1 Permitted disclosure**

It is recommended that the Code be amended to allow for the disclosure, use or reproduction of metering database information by Code participants with the written consent of the relevant customer. It is recommended that the Code be amended to define “affected Code participant” as the Code participant who is the “user” with the access contract for the connection point that the relevant “confidential information” relates to or who is the owner of the relevant “confidential information” under the Code.

#### **Recommendation 47**

##### **2.8.1 Dispute resolution**

It is recommended that Part 8 and all references to “dispute” and “disputing party” are removed from the Code.

It is recommended that Part 7 and all references to “dispute” and “disputing party” are removed from the Customer Transfer Code.

#### **Recommendation 48**

##### **2.8.2 Any other matters relating to Part 8**

A Code amendment is not recommended.

#### **Recommendation 49**

##### **2.9.1 Matters relating to Part 9**

It is recommended that the OOE investigate mechanisms for increasing communications between itself and industry to ensure that the Code continues to meet its objectives. This may include an audit 12 months after amendments to the Code have been made to assess the effectiveness of the amendments.

#### **Recommendation 50**

##### **2.10.1 Meter types in Table 3 in Appendix 1**

A Code amendment is not recommended.

#### **Recommendation 51**

##### **2.10.2 Annual throughput at connection point**

A Code amendment is not recommended.

#### **Recommendation 52**

##### **2.10.3 Appendix 5**

It is recommended that Appendix 5 be removed from the Code.

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