

Decision to Approve Proposed Model Service Level Agreement pursuant to the Electricity Industry Metering Code 2005

Submitted by Western Power Corporation
Networks Business Unit

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Economic Regulation Authority

 WESTERN AUSTRALIA

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DECISION

1. On 4 January 2006, Western Power Corporation Networks Business Unit (**Western Power**) submitted to the Authority a proposed model service level agreement pursuant to clause 6.3(2) of the *Electricity Industry Metering Code 2005* (**Metering Code**).
2. Following further consultation with Metering Code participants Western Power submitted a revised proposed model service level agreement to the Authority on 22 March 2006, which incorporated a number of amendments.
3. Pursuant to clause 6.13(1)(a)(i) of the Metering Code the Authority is satisfied that the network operator has complied with clauses 6.5, 6.6 and 6.11 of the Metering Code.
4. Accordingly, the Authority has decided to approve the proposed model service level agreement.

REASONS

5. Part 6 of the Metering Code specifies the approval procedure for proposed documents under the Metering Code.
6. The Authority must not approve a proposed document unless the Authority is satisfied that Western Power has complied with clauses 6.11(2) and 6.11(3) of the Metering Code.
7. Clause 6.11 of the Metering Code sets out the consultation requirements, as follows:

6.11 Consultation with Code participants

- (1) This clause 6.11 does not apply in respect of a proposed *registration process* or proposed *mandatory link criteria*.
- (2) Before seeking the *Authority's* approval under clause 6.2, a *network operator* must:
 - (a) give *Code participants* a reasonable opportunity to make submissions to the *network operator* concerning the proposed *document*; and
 - (b) take into account any submissions received from *Code participants* in developing the proposed *document*.
- (3) Before seeking the *Authority's* approval under clause 6.2, a *network operator* must provide a report to the *Authority* that:
 - (a) identifies the process through which the proposed *document* was developed, including details of consultation with *Code participants* under this clause 6.11; and
 - (b) describes how the proposed *document* complies with the criteria set out in clauses 6.5 to 6.9 (as applicable); and

- (c) describes how the *network operator* took into account any submissions received from *Code participants*; and
 - (d) includes copies of submissions received by the *network operator* from *Code participants*.
 - (4) The *Authority* must not approve a proposed *document* unless the *Authority* is satisfied that the *network operator* has complied with clauses 6.11(2) and 6.11(3).
8. A report was provided by Western Power identifying the consultation that had taken place with retailers on the proposed model service level agreement.
9. The Authority considered the report on consultation with retailers on the proposed model service level agreement, the submissions received from Alinta Sales, Perth Energy and Western Power Corporation Retail Business Unit and was satisfied that Western Power had undertaken adequate consultation that accorded with the requirements of clauses 6.11(2) and (3) of the Metering Code.
10. Additionally, clause 6.14 of the Metering Code states that the Authority must not approve a proposed document unless it is satisfied that the proposed document meets the criteria set out in clause 6.5 and clause 6.6.
11. Clause 6.5 of the Metering Code sets out the requirements for all documents, as follows:

6.5 Requirements for all documents

A *document* must:

- (a) comply with this *Code*; and
 - (b) not impose inappropriate barriers to entry to a market; and
 - (c) be consistent with *good electricity industry practice*; and
 - (d) be reasonable; and
 - (e) be consistent with the *Code objectives*; and
 - (f) be consistent with the *market rules*; and
 - (g) unless this *Code* requires otherwise, be consistent with other enactments.
12. Clause 6.6 of the Metering Code sets out the specific approval criteria for a model service level agreement, as follows:

6.6 Requirements for model service level agreement

- (1) A *model service level agreement* must at least:
 - (a) specify the *metering services* that the *network operator*:
 - (i) must provide (which must include at least all the *metering services* that this *Code* and the *Customer Transfer Code* require the *network operator* to provide); and

- (ii) may provide,
to other *Code participants* on request,
and
- (b) 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*,
 and
- (c) subject to clause 5.21(9), specifies the maximum *charges* that the *network operator* may impose for each *metering service* referred to in clause 6.6(1)(a); and
- (d) if any of the *charges* specified under clause 6.6(1)(c) is variable, provides details of the methodology and cost components that will be used to calculate the variable *charge* including (where applicable) hourly labour rates, distance-related costs and equipment usage costs; and
- (e) provides that the *charges* which may be imposed under a *service level agreement* may not exceed the costs that would be incurred by a *network operator* acting in good faith and in accordance with *good electricity industry practice*, seeking to achieve the lowest sustainable costs of providing the relevant *metering service*; and
- (f) requires the *network operator* to *publish*, annually, a list setting out for each *metering point* on the *network* either:
 - (i) each *date for a scheduled meter reading* in the coming year; or
 - (ii) the *reading day number* to apply for the current year,
 and specifies the procedures by which, and frequency with which, this list may be revised;

and
- (g) specify the procedures for a *Code participant* to make a request for *metering services* (“**metering service order**”) and the procedures for dealing with a *metering service order*.

(2) The paragraphs of this clause 6.6 do not by implication limit each other.

13. In addition, Western Power states in the model service level agreement:

The services provided under this SLA by Metering Services are individually priced. Pricing may vary depending on the location of services.

The charges may be revised from time to time by Western Power and may not exceed the costs that would be incurred by Western Power acting in good faith and in accordance with good electricity industry practice, seeking to achieve the lowest sustainable costs of providing the relevant metering service.

In line with industry practice, Metering Services will waive, or refund or offset as appropriate, the fee for any service that is shown to have been incurred due to erroneous information supplied by Metering Services.

14. The Authority noted that the charges proposed for metering services in the model service level agreement reflected those gazetted under the Metering Code and therefore complied with the Metering Code.
15. The Authority considered the proposed model service level agreement against the approval criteria set out in clauses 6.5 and 6.6 of the Metering Code. The Authority considered that the proposed model service level agreement complies with clauses 6.5 and 6.6 of the Metering Code.