



Submission to the Economic Regulation Authority
Western Power's proposed model service level agreement
19 December 2019

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Executive summary

Matter	Western Power (WP) proposed model service level agreement – November 2019 (proposed MSLA).
Context	<p>Previous MSLA reviews</p> <p>In August 2017 WP released its proposed new MSLA for public comment.</p> <p>On 25 August 2017 WP published its consultation paper inviting comments on its proposed MSLA amendments.</p> <p>In September 2017 Synergy submitted its detailed response to WP in relation to its proposed MSLA.</p> <p>The Synergy MSLA submission No. 1 was provided to the Economic Regulation Authority (ERA) on 27 September 2017.</p> <p>In October 2017 the ERA published WP's response to Synergy's MSLA submission No. 1.</p> <p>In November 2017, Synergy submitted a second detailed submission to the ERA in response to WP's October 2017 MSLA.</p> <p>In January 2018 the ERA published WP's updates to the MSLA revisions.</p> <p>On 10 June 2019 ERA published WP's revisions to its January 2018 MSLA and invited public submissions.</p> <p>In 10 July 2019, Synergy submitted a third submission to the ERA in response to WP's updates to the MSLA in June 2019.</p> <p>Current MSLA review</p> <p>On 21 November 2019, WP withdrew its previous ERA submitted MSLA and submitted a new proposed MSLA to the ERA.</p>
Scope	Synergy currently pays approximately \$75M/annum to WP for the <i>metering service</i> provision to enable Synergy to transact with its 1 million customers. Efficient and effective metering installation and operational services with independent regulatory oversight is fundamental to retailers and generators to establish and maintain customer service in a market, particularly where currently there is no competition in the provision of such network services. This submission sets out Synergy's position with respect to the proposed MSLA.
Key issues	<p>During the period October-November 2019 Synergy and WP, as part of the MSLA public consultation process, held a series of workshops to discuss the following MSLA matters:</p> <ol style="list-style-type: none"> 1. Meteringservicestandards (KPI, timeframes and performance reporting). 2. Metering service descriptions. 3. Metering service transactions. <p>Synergy has reviewed the proposed MSLA and supports the above matters as drafted within the proposed MSLA. There are however, additional matters Synergy considers the ERA needs to determine in the proposed MSLA relating to:</p> <ol style="list-style-type: none"> 1. Terms and conditions 2. Pricing

A. APPLICABLE LEGISLATIVE REQUIREMENTS

In this submission, unless otherwise specified, *italicised* terms are defined terms and have the meanings given to them in the *Electricity Industry (Metering) Code 2012* (Metering **Code**) or the *Electricity Networks Access Code 2004* (**ENAC**), as applicable. Matters in **bold** (excluding headings) are for emphasis.

In preparing this submission Synergy has had particular regard to the following key provisions of the Metering Code and the *Economic Regulation Authority Act 2003* (WA) (**ERA Act**):

Metering Code

- Clause 1.5 – dealing with any inconsistency between the Code and other enactments, including (at section 1.5(5)), any inconsistency with the *Code of Conduct*. In such a case, the Code does not operate to the extent of any inconsistency between it and the *Code of Conduct*.
- Clause 2.1(1) – setting out the *Code objectives*, being to:
 - promote the provision of accurate metering of *electricity* production and consumption;
 - promote access to and confidence in *data* or parties to commercial *electricity* transactions; and
 - facilitate the operation of Part 8 and Part 9 of the *Electricity Industry Act 2004* (WA) (**EI Act**), the *Customer Transfer Code* and the *Code of Conduct*.
- Clause 2.1(2) - requiring *Code participants* to have regard to the *Code objectives* when performing an obligation under the Code, whether or not the provision under which they are performing refers expressly to the *Code objectives*. In particular, this applies to WP's development of the MSLA, its engagement with *users* and its submission to the ERA. It also applies to the ERA's exercise of its functions under the Code, particularly the approval of the MSLA.
- Clause 5.1 – setting out the *network operator* obligations to provide access to *metering services* to a *user*.
- Clause 5.8 – setting out the obligations of the *network operator* to provide whatever information that is necessary to enable the *user* to comply with its obligation under the *Code of Conduct*.
- Part 6 – detailing the *Authority's* approval procedure for proposed *documents* under the Code.
- Clause 6.5 – setting out certain specific mandatory requirements the MSLA must comply with, including among others the MSLA must be consistent with "other enactments" (clause 6.5(g)), such as the *Code of Conduct*.¹
- Clause 6.6 – setting out the minimum content requirements for the MSLA.
- Clause 6.6(1)(e) - expressly requires a network service provider to demonstrate it is "...seeking to achieve the lowest sustainable costs of providing the relevant metering service..."
- Clauses 6.11(2) and 6.11(3) – detailing the process WP must follow for stakeholder consultation on its proposed MSLA, which in Synergy's view was not adequately followed by WP.
- Clause 6.11(4) – providing the ERA must not approve a proposed *document* unless the ERA is satisfied the *network operator* has complied with clauses 6.11(2) and 6.11(3).
- Clause 6.14 – providing the ERA must not approve a proposed MSLA unless it is satisfied the MSLA meets the criteria set out in clauses 6.5 to 6.9 (as applicable) of the Code.
- Clause 6.15 – providing the ERA must take into account and may give priority to the "Code objective" in the *Access Code*, when considering whether to approve a MSLA.

¹ Under the *Interpretation Act 1984* (WA), an "enactment" is defined to mean "a written law or any portion of a written law" and a "written law" is defined to include "all subsidiary legislation for the time being in force". The Code of Conduct is subsidiary legislation (see *EI Act*, section 80) and is therefore an "other enactment" for the purposes of clause 6.5(g) of the Code.

ERA Act

Section 26(1) of the ERA Act relevantly requires that in performing its functions under enactments such as the Code and *Access Code*, the ERA must have regard to, among other things:

- the need to promote regulatory outcomes that are in the public interest;
- the long-term interests of consumers in relation to the price, quality and reliability of goods and services provided in relevant markets;
- the need to encourage investment in relevant markets;
- the legitimate business interests of investors and service providers in relevant markets;
- the need to promote competitive and fair market conduct;
- the need to prevent abuse of monopoly or market power;
- the need to promote transparent decision-making processes that involve public consultation.

In Synergy's view, it is necessary for the ERA to apply these provisions to its own functions under the Metering Code and to also require WP's strict compliance with these provisions, in each case to the extent legally binding.

B. SERVICE STANDARDS, DESCRIPTIONS AND TRANSACTIONS

During the period October-November 2019 Synergy and WP, as part of the MSLA public consultation process, held a series of workshops to discuss the following MSLA matters:

1. Metering service standards (KPI, timeframes and performance reporting).
2. Metering service descriptions.
3. Metering service transactions.

Synergy has reviewed the proposed MSLA and supports the above matters as drafted within the proposed MSLA.

C. TERMS AND CONDITIONS

Issue	Issue Description	Resolution
Incentives to meet service standards	<p>The proposed MSLA does not contain any contractual financial incentives or compensation for <i>Users</i> in circumstances where <i>metering services</i> are not provided in accordance with the minimum required service standards specified within the MSLA.</p> <p>It is reasonable that WP bears this risk as it is best placed to manage the risk through its contractual arrangements with its meter service providers which address situations where metering services are not provided in accordance with agreed service standards.</p> <p>Synergy considers it reasonable for <i>Users</i> to be compensated financially by its service provider when services are not performed to the required standard under the MSLA. Further Synergy considers provision for the MSLA to include contractual provisions relating to incentives to meet service standards meets the <i>Code objectives</i> as well as the public interest test under s. 26(1) of the ERA Act.</p>	<p>Synergy requests the ERA to include a provision in the MSLA that requires WP to indemnify the user in circumstances where WP has not provided the services in accordance with the MSLA and clause 5.8 of the Code, resulting in the user incurring costs such as:</p> <ul style="list-style-type: none">• loss of revenue from the activities of the user relating to services under the MSLA;• costs the user is prevented by the <i>Code of Conduct</i> from recovering from the customer; and• charges applied to the user by the Electricity and Water Ombudsman for dealing with a customer complaint, and any compensation payable to its customer by the user brokered, or determined to be payable, by the Electricity and Water Ombudsman.

Issue	Issue Description	Resolution
	<p>For example, under clauses 4.17 and 4.18 of the <i>Code of Conduct</i> Synergy is financially liable for the “error, defect or default for which the distributor is responsible”. However, the proposed MSLA does not provide an equivalent financial obligation on WP in similar circumstances.</p> <p>Further, Synergy notes the ERA approved standard access contract provides for direct damage in relation to contractual default. However, the proposed MSLA is silent on the matter.</p> <p>Synergy considers that including performance incentive mechanisms (such as refunds or service standard payments) are neither punitive nor penal but are rather in the nature of compensatory payments. Further, to require a refund when a network service provider has failed to properly perform a service is consistent with the position under the <i>Code of Conduct</i> and Electricity Industry (Network Quality and Reliability of Supply) Code 2005.</p>	

Issue	Issue Description	Resolution
<p>Price Control - Annual increases to service charges.</p>	<p>The MSLA proposed fees may be increased annually subject to a Wage Price Index (WPI) adjustment without prior ERA approval. It is not clear how increasing charges automatically by WPI is consistent with seeking to achieve the lowest sustainable costs of providing the relevant <i>metering service</i> as required by clause 6.6(1)(e).</p> <p>Further by broadly applying the WPI to costs could create an inefficient culture and provide an incentive for a network service providers to not pro-actively seek to achieve the lowest sustainable cost or pass through any achieved cost savings.</p>	<p>Synergy requests the ERA to consider whether increasing fees and charges by the proposed WPI mechanism is consistent with clause 6.6(1)(e) of the Metering Code, including whether:</p> <ol style="list-style-type: none"> 1. WP and its subcontractors automatically increase its employee salaries each year by WPI; and 2. It is reasonable to apply this WPI increase to the hardware component of the metering service. <p>Even if the ERA considers WP's proposal to link fee increases to the a WPI to be reasonable, Synergy requests the ERA to consider whether the MLSA price schedule should be subject to prior ERA approval before any MSLA price list increases can be passed through by WP to users. Synergy submits that the publication of a revised MSLA price list (Schedule 5 to the MSLA) from time to time can be done without having to review the entire MSLA.</p>
<p>MSLA Terms Clause 3.1 Obligation to pay is pursuant to a Service Order and not on completion of service.</p>	<p>Clause 3.1(b) of the MSLA contemplate that a <i>User</i> has an obligation to pay for the <i>metering services</i> at the time a service order is submitted, not when the service is completed. Synergy does not support this arrangement as it is not consistent with the <i>Code objectives</i> or the public interest test specified in s. 26(1) of the ERA Act.</p> <p>The MSLA needs to be clear that there is no obligation to pay for metering services if <i>Users</i> do not receive all necessary information to reconcile the type of <i>metering service</i> that has been requested and the applicable charges under the MSLA.</p>	<p>Synergy considers its issues can be addressed by the following MSLA amendments (<u>underlined</u>);</p> <p>“3.1 (b) <u>Except in the circumstances specified in Schedule 5 in respect of "Cancellation Fees" and "Fees for Extended Metering Services where no site access"</u>, the User must pay for Extended Metering Services only when <u>completed</u> by Western Power pursuant to a Service Order submitted by the User; and...”.</p>

<p>MSLA Terms Clause 7 Liability</p>	<p>Clause 7.1 provides for the exclusion of liability for "Indirect Damage"... "however arising".</p> <p>Synergy is concerned that:</p> <ul style="list-style-type: none"> ▪ To the extent a liability exclusion or limitation is broad, that is likely to favour WP (as service provider) over Users (as service takers). ▪ The breadth of the exclusion or limitation of Indirect Damage is inconsistent with WP's and User's relative risk positions under WP's current standard access contract. For example, under clause 3.6(f) of the standard access contract, WP must not delete a Connection Point other than in accordance with a notice given by a User under clause 3.6. If WP commits a breach of this obligation in circumstances that constitutes a "wilful default", it is liable to the User and the exclusion of Indirect Damage does not apply. ▪ Users are in any case exposed to certain liabilities to third parties (e.g. to consumers under the Australian Consumer Law) which by law cannot be modified, restricted or excluded. Users may be caught in the middle with exposure to their customers and other third parties for matters that are attributable to WP's default but for which, due to the liability limitations in the MSLA, WP is not liable for. ▪ The use in clause 7.1 of "however arising" would appear to apply the exclusion of indirect damage even for a party's fraud or wilful default. Similarly, the liability limitations in clause 7.2 do not contain any exceptions. <p>Synergy in any case considers the exclusion of indirect damage in clause 7.1 and the liability limitations in clause 7.2 should align with the approach approved by the ERA in respect of the ETAC.</p>	<p>Synergy requires the ERA to make a determination whether the MSLA proposed liability exclusions and limitations are consistent with the Code, having regard to the issues raised by Synergy and the matters listed in section 26(1) of the ERA Act.</p>
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Issue	Issue Description	Resolution
	<p>Further, Synergy requires:</p> <ul style="list-style-type: none"> ▪ a provision to the effect that WP must pay Users adequate compensation and the liability exclusions and limitations in clause 7 will not apply for certain losses, including: <ul style="list-style-type: none"> - when WP causes <i>standing data</i> to be incorrect and Synergy suffers a loss where it has relied on <i>standing data</i> information in relation to a supply contract (or for any other purpose); and - for consequential losses similar to business damage provision under the ETAC. For example, where <i>standing data</i> requires re-work when incorrect etc. <p>With regard to the proposed amendments to clauses 7.3 to 7.5 of the MSLA, Synergy considers these appear generally appropriate. However, it is unclear why (other than for consistency with the ETAC), in the case of fraud (clause 7.4), the MSLA is proposing the overall cap on liability in clause 7.2 should still apply, whereas in the case of personal injury (clause 7.3) it does not. Conceptually, if the clause 7.2 cap on liability is removed for personal injury, why should it not also be removed for fraud?</p>	

<p>MSLA Terms Clause 8 Force Majeure</p>	<p>Synergy notes:</p> <ul style="list-style-type: none"> clause 8.2(a) would seem not to require notification of Force Majeure (FM) until it has continued for at least 2 days. This represents a lower reporting obligation on the part of the Affected Person than is the case under the current MSLA, which requires the Affected Person to notify the other person "promptly". No justification for this has been provided. Synergy considers that if a party wishes to rely on FM it must notify the other as soon as reasonably practicable (which in some cases could require immediate notice). This is particularly the case if a Force Majeure Event is likely to be recurring but where it may not meet the 2 day threshold in each instance. clause 8.3 – The provision needs to be expanded to also include that an Affected Person is not obliged to incur expenditure if the Force Majeure Event constitutes a breach of the Metering Code by the other party. <p>Further, it is important to note that a Force Majeure Event in relation to standing data or metering data can cause a User to incur a large number of breaches under the <i>Code of Conduct</i>. <i>The Code of Conduct</i> does not provide any dispensation to Users in relation to a Force Majeure Event.</p>	<p>Synergy recommends the following MSLA amendments. (amendments in strike through and <u>underline</u>)</p> <p>8.2 Affected Person’s obligations</p> <p>Subject to clauses Error! Reference source not found. and 8.5, if a Force Majeure Event occurs and the Affected Person is unable wholly or in part to perform any obligation under this Agreement, then the Affected Person must:</p> <ul style="list-style-type: none"> (a) <u>notify the other Party immediately on becoming aware of an Force Majeure Event likely to prevent the operation of clause 5.8 of the Code or adversely affect any customer using Life Support Equipment; and</u> (b) subject to clause 8.2(a), notify the other Party if the FM Period continues for a period of two days or longer; and (c) use reasonable endeavours (including incurring any reasonable expenditure of funds and rescheduling personnel and resources) to: <ul style="list-style-type: none"> (i) mitigate the consequences of the Force Majeure Event; and (ii) minimise any resulting delay in the performance of the Affected Obligation. <p>8.3 In case of breach</p> <p>An Affected Person is not obliged to incur expenditure in complying with clause 8.2(b) if the Force Majeure Event is constituted by a breach of, or failure to comply with, this Agreement <u>or the Code</u> by the other Party.</p>
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Issue	Issue Description	Resolution
	<p>The potential effect of clause 13.8 of the MLSA is that all agreements or arrangements relating to the provision of metering services (including, for example, additional service level agreements between WP and a user) could be superseded by the MLSA. If such service level agreements are superseded, this means that the user will not be able to provide certain existing services to its end use customers.</p> <p>For example, Synergy has other service level agreement with WP for the provision of a specific metering service. If that service level agreement is superseded, Synergy's ability to provide these specific services to customers will be affected. Synergy will be pleased to articulate further should the ERA require.</p>	<p>Synergy recommends the following amendments to clause 13.8 (amendments in strikethrough and <u>underline</u>):</p> <p>"This Agreement constitutes the entire agreement between the Parties as to its subject matter and, to the extent permitted by Law, <u>supersedes all previous agreements, arrangements, representations or understandings. supersedes all previous model service level agreements in effect under the Metering Code</u>"</p>
Definition of Reasonable and Prudent Person	<p>Although expressly included in the defined term, there is no requirement for WP to act reasonably in the definition. Further, this definition should be aligned with the term under the Access Code and the words "where applicable" should be deleted. In addition, consistent with the definition, the words "reasonably and" should be inserted before "in good faith".</p> <p>Synergy requests the words "where applicable" are removed from the definition of "Reasonable and Prudent Person" It is unclear to Synergy when a party would not be required to act in accordance with "Good Electricity Industry Practice".</p>	<p>Synergy requires the following amendment to the definition of "Reasonable and Prudent Person".</p> <p>"Reasonable and Prudent Person means a person acting <u>reasonably and</u> in good faith and, where applicable, in accordance with Good Electricity Industry Practice."</p>

D. PRICING

Issue	Issue Description	Resolution
<p>Ensuring meter data and infrastructure charges are efficient</p>	<p>Clause 6.6(1)(e) and A4.2 of the Metering Code requires that a MSLA must provide that the <i>charges</i> which may be imposed under a <i>service level agreement</i> may not exceed the costs that would be incurred by a <i>network operator</i> acting in good faith and in accordance with <i>good electricity industry practice</i>, seeking to achieve the lowest sustainable costs of providing the relevant <i>metering service</i>.</p> <p>The MSLA does not contain a pricing information document nor require that one be provided by WP. Therefore, there is insufficient published information for <i>users</i> to satisfy themselves that WP has sought to achieve the lowest sustainable cost in providing the <i>metering services</i>.</p>	<p>Synergy seeks the ERA to ensure:</p> <ul style="list-style-type: none"> (i) WP infrastructure charges under the MSLA comply with clause 6.6(1)(e) of the Metering Code; and (ii) WP has sought to achieve the lowest sustainable cost in relation to its proposed metering charges. (iii) Fees in the MSLA are not based on “cost plus pricing” and WP has sought to achieve the lowest sustainable cost of providing the services. <p>In addition, the ERA should also ensure the new fee components in relation to MS-19 also comply with clause 6.6(1)(e) of the Metering Code.</p> <p>Synergy also seeks the ERA to ensure the cancellation fees <i>users</i> must pay in the MSLA are consistent with clause A4.2(3), A4.2(4) and A4.2(5) of the Metering Code.</p>
<p>Price Control for additional metering Reference Service Charges</p> <p>Table 5</p>	<p>Prices for additional metering <i>Reference Services</i> contain two parts, the first being in the corresponding Reference Tariff and the second taking the form of an "additional charge" in the MSLA. In summary, Synergy considers the Reference Tariff in the AA4 <i>price list</i> should include the entire price (instead of part of the price being in the MSLA). Further, that the ENAC <i>price control</i> framework be applied consistently to both the Reference Tariff and "additional charge". This is discussed further below.</p> <p>The proposed 2019 MSLA contemplates <i>metering service</i> charges (or opex) under the Code and the MSLA may be legally included in a Reference Tariff determined under the access arrangement for the period 2017 to 2022 (AA4) and the ENAC.</p>	<p>Synergy is supportive of including the metering reference service prices in the <i>price list</i>, such that all charges for metering <i>reference services</i> will be reviewed and updated on an annual basis, in accordance with the <i>Access Code</i>.</p> <p>Synergy understands that WP’s preferred approach to pricing the new metering reference services is for the prices to be published in the <i>price list</i> either as a replacement of the current Table 21 or as an additional table to be read in conjunction with Table 21. Given AA4 (including the 2019/2020 <i>price list</i>) was only just approved to take effect in July 2019, it may not be possible to update the <i>price list</i> until 2020/2021.</p>

Issue	Issue Description	Resolution
	<p>AA4 contains metering <i>Reference Services</i> M1 to M16 (with corresponding Reference Tariffs) and charges in the June 2019 MSLA under MS-1 (MS-1(B) – MS1(F)) and MS-20.</p> <p>Synergy notes the additional charge approach and concept was not subject to public consultation and <i>users</i> were not provided an opportunity to comment on the reasonableness of this approach as part of the ERA's various AA4 decisions.</p> <p>The additional MSLA charges (i.e. additional to those charges in the AA4 <i>price list</i>, Table 21) appear to be recovering non-capital costs in relation to the provision of <i>covered services</i> under the ENAC. As a "reference service" is a <i>covered service</i> with (amongst other things) a <i>reference tariff</i> (which tariff is to be specified in a price list) (see definition of "reference service" in the ENAC),</p> <p>Synergy considers the additional MSLA charges should be included in the AA4 <i>price list</i> instead of the MSLA. Further Synergy queries whether, if the charges remain in the MSLA <i>users</i> have a legal obligation to pay for these <i>charges</i> as a <i>reference service</i>. Synergy considers the correct regulatory application is for non-capital costs in relation to <i>covered services</i> to be recovered through charges listed in a <i>price list</i>.</p> <p>Therefore, the ERA needs to consider whether:</p> <ol style="list-style-type: none"> 1. The concept of additional charges referred to in AA4 is consistent with the requirements of the ENAC, specifically chapters 6 to 8; 2. <i>Users</i> are legally obliged to pay these charges under their <i>access contract</i>. 	<p>Synergy requests the ERA ensure:</p> <ol style="list-style-type: none"> 1. The review of prices under the proposed 2019 MSLA relating to an AA4 reference service is not subject to a lesser price control standard than that specified in the ENAC; 2. The prices, price control and pricing methods WP has used to determine the charges under the MSLA are efficient; and 3. WP's pricing approach or framework ensures WP has sought and will continue to seek to achieve the lowest sustainable cost of providing the service (in accordance with clause 6.6(1)(e) of the Metering Code).

Issue	Issue Description	Resolution
	<p>Notwithstanding the above, Synergy's key issue, as the State's largest network user, is – How will the ERA ensure charges outside of the ENAC framework (i.e. those charges under the MSLA that should actually be included in the <i>price list</i>) are efficient in accordance with the ENAC <i>price control</i> provisions?</p> <p>Synergy's key concern is not regulatory inconsistency per se, but rather whether the inconsistency results in a lesser form of price control in relation to covered services. The ENAC has a rigorous <i>price control</i> framework to give effect to its objective of promoting the economically efficient investment in and operation and use of networks and services of networks in Western Australia. Cost efficiency is a requirement of the Metering Code for MSLAs – see clause 6.6(1)(e). However, the Metering Code does not specify how this is to be achieved nor does it contemplate regulating elements of a <i>covered service</i>.</p> <p>Provided the ERA confirms items 1-3 are met by the proposed 2019 MSLA, then Synergy considers the regulatory inconsistency between AA4 and the June 2019 MSLA (as detailed above) is largely an administrative matter that could be addressed in the AA4 2020/2021 <i>price list</i> or in the access arrangement for the period 2022 – 2027 (AA5).</p>	

Radio mesh and cellular charges

The information in Table 1 and 2 highlights a number of pricing inconsistencies. For example, materially different charges for the provision of the same energy data, through the same meter, using the same technology.

Table 1 – Annual Charges for Scheduled Reads

Annual Charges	Metering	M1 Reference Service Manual Accumulation Bi-Monthly	M3 Reference Service Manual Interval Bi-Monthly	M5 Reference Service Remote Interval Bi-Monthly
Residential customer (RT1)		\$29.70 \$4.95/read	\$113.29 \$18.88/read	\$74.23 \$12.37/read
Small Business customer (RT2)		\$36.33 \$6.06/read	\$119.92 \$19.99/read	\$80.86 \$13.48/read

To understand the basis of some of the additional metering charges² Synergy discussed with WP the basis of some of the additional metering charges, and Synergy understands:

- The additional metering charges in the MSLA, for the provision of remote *energy data*, are based exclusively on the cost of providing the data through cellular communications (not radio mesh).
- However, the cost of providing remote *energy data* through radio mesh communications is generally cheaper than through cellular communications (but subject to topography and radio mesh coverage). This cheaper cost is not reflected in the MSLA charges because, where remote *energy data* is provided through radio mesh communications, the current MSLA drafting indicates *users* will be required to pay the more expensive cellular charge in the MSLA.
- The majority of the meters installed on the network since February 2019 have been installed with a radio mesh NIC³. Approximately 20% of these meters are expected to be remotely enabled by July 2020. This percentage will progressively increase as the radio mesh coverage

Where a service may be provided through radio mesh or cellular communications Synergy requires the ERA to ensure the MSLA reflects the lowest sustainable cost for each type of technology:

- if remote *energy data* is provided through cellular communications, then it must be provided to *users* at the lowest sustainable cost for that service; and
- if remote *energy data* is provided through radio mesh communications, then it must be provided to *users* at the lowest sustainable cost for that service.

Issue	Issue Description	Resolution
	<p>increases as part of WP's "AMI" roll-out plan. Cellular communications will still be used in some areas where radio mesh is not currently available or it is not feasible to deploy radio mesh.</p> <p>If cellular charges apply to radio mesh remote <i>metering services</i>, Synergy considers this pricing approach is not consistent with clause 6.6(1)(e) of the Metering Code because WP has not sought to achieve the lowest sustainable costs of providing the remote energy data <i>metering service</i>. This means that <i>users</i> will pay a more expensive charge (that is, the charge for cellular communications) for data provided through a less expensive means (that is, via radio mesh communications).</p> <p>In Synergy's view, the Metering Code requires the following:</p> <ul style="list-style-type: none"> • if remote <i>energy data</i> is provided through cellular communications, then it must be provided to <i>users</i> at the lowest sustainable cost for that service; and • if remote <i>energy data</i> is provided through radio mesh communications, then it must be provided to <i>users</i> at the lowest sustainable cost for that service. <p>Synergy considers that the current drafting in the MSLA is inconsistent with:</p> <ul style="list-style-type: none"> • the Metering Code objective in clause 2.1(1)(b) because it does not promote access to and confidence in data of parties to commercial electricity transactions; 	

² For example, why the additional charges for proposed services M-5 and M-6 are the same (refer to Table 2).

³ Network interface card that will form part of the radio mesh *communications link*.

Issue	Issue Description	Resolution
	<ul style="list-style-type: none"> the matters the ERA is required to have regard to under section 26(1) of the ERA Act when approving the MSLA, including the long-term interests of consumers in relation to the price of goods and services (section 26(1)(b)), the need to promote competitive and fair market conduct (section 26(1)(e)) and the need to prevent abuse of monopoly or market power (section 26(1)(f)). <p>Finally, Synergy considers it would be more efficient for the radio mesh charges to be included in the MSLA now instead of subjecting the MSLA to another public consultation process in July 2020, when the radio mesh services are scheduled to be available for use.</p>	

MS-19 Non-scheduled meter read

MS-20 One off manual interval read

MS-20 One-off manual interval data

ID	Service Description	Fee (\$ per unit unless otherwise stated)	
		Metro	Country
MS-20	One off manual Interval Read	17.66	44.91

MS-19 Non-scheduled special meter reading

ID	Service Description	Fee (\$ per unit unless otherwise stated)	
		Metro	Country
MS-19	Non-scheduled special Meter Reading		
A	Accumulation Meter (Manual with or without Nomination Date)	9.87	41.47
B	Interval Meter (Manual with or without Nomination Date))	13.66	52.76
C	Interval Meter (Remote)	0.60	0.60
D	Appointment - Accumulation Meter (Manual)	16.62	117.19
E	Appointment - Interval Meter (Manual)	22.88	158.90
MS-20	One off manual Interval Read	17.66	44.91

The (manual) non-scheduled read service (MS-19) and the one-off manual interval data service (MS-20) is fundamentally the same service; however there appears to be a difference in price (MS-20 has a higher charge). The difference between the two services appears to relate to WP treating an *interval meter* as an *accumulation meter*. Synergy has detailed this in the table below. However, it is important to note that the data recorded in the meter is *interval energy data*.

Special Read Service	Special Read data provision:	Data recorded in the meter:	Meter registered in the <i>Registry</i> as:	Normal (scheduled) data provision to the retailer:
MS-20	<i>Interval energy data</i>	<i>Interval energy data</i>	<i>Accumulation Meter</i>	Accumulation data
MS-19			<i>Interval Meter</i>	Interval data

Synergy requires the ERA to ensure the charges are consistent with clause 6.6(1)(e) of the Code.

Issue	Issue Description	Resolution																																						
Uptake of remote metering services	<p>Synergy considers the charges for the following services (as set out in the table immediately below) are reasonable:</p> <ul style="list-style-type: none">• Meter exchange charges under MS-9(A) and MS-9(B), assuming the new meter exchange includes a radio frequency communications link or NIC.• Meter exchange charges under MS-9(C) for a current transformer meter.• Installation and activation of a radio frequency communications link under MS-11(A) for existing meters compatible with WP’s radio mesh communication network.• Meter reconfiguration charges under MS-15(B) for a remote reconfiguration. <table><tr><th rowspan="2">ID</th><th rowspan="2">Service Description</th><th colspan="2">Fee (\$ per unit unless otherwise stated)</th></tr><tr><th>Metro</th><th>Country</th></tr><tr><td>MS-9</td><td>Meter exchange</td><td></td><td></td></tr><tr><td>A</td><td>Single phase whole current meter</td><td>64.55</td><td>137.05</td></tr><tr><td>B</td><td>Three phase whole current meter</td><td>64.55</td><td>137.05</td></tr><tr><td>C</td><td>Current transformer meter</td><td>64.55</td><td>137.05</td></tr><tr><td>MS-11</td><td>Communications link installation</td><td></td><td></td></tr><tr><td>A</td><td>Radio frequency communications link</td><td>64.55</td><td>137.05</td></tr><tr><td>MS-15</td><td>Meter reconfiguration</td><td></td><td></td></tr><tr><td>B</td><td>Remote</td><td>20.02</td><td>20.02</td></tr></table> <p>In Synergy’s view these charges will encourage the uptake of remote metering services and allow customers to benefit from the new services this infrastructure will provide.</p>	ID	Service Description	Fee (\$ per unit unless otherwise stated)		Metro	Country	MS-9	Meter exchange			A	Single phase whole current meter	64.55	137.05	B	Three phase whole current meter	64.55	137.05	C	Current transformer meter	64.55	137.05	MS-11	Communications link installation			A	Radio frequency communications link	64.55	137.05	MS-15	Meter reconfiguration			B	Remote	20.02	20.02	Synergy supports the proposed MS-9 (A-C), MS-11(A) and MS-15 (B) meter fees.
ID	Service Description			Fee (\$ per unit unless otherwise stated)																																				
		Metro	Country																																					
MS-9	Meter exchange																																							
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MS-15	Meter reconfiguration																																							
B	Remote	20.02	20.02																																					

Table 2 – Total annual charges for energy data provision MS-1– Synergy pricing issues and comments summary

Synergy seeks the ERA to review each of the proposed MSLA charge consistent with 6.6(1)(e) of the Metering Code and satisfy itself the charge seeks to achieve the lowest sustainable cost. The table below also provides specific commentary in relation to individual fees.

Reference Service (Metering)	MSLA Additional Charge (cents/day)	MSLA Additional Charge (\$/annually)	Pricing issues and comments
M5 - Unidirectional, interval, bi-monthly, remote	12.2	\$44.53 6 reads a year	Synergy considers the additional charge of 12.2 cents for M5 should be discounted relative to the M6 service. Synergy considers the provision of 6 remote reads a year for M5 should be cheaper than the M6 service.
M6 Unidirectional, interval, monthly, remote	12.2	\$44.53 12 reads a year	
M12 - Bidirectional, interval, bi-monthly, remote	12.2	\$44.53 6 reads a year	Synergy considers the additional charge of 12.2 cents for M12 should be discounted relative to the M13 service. Synergy considers the provision of 6 remote reads a year for M12 should be cheaper than the M6 service.
M13 - Bidirectional, interval, monthly, remote	12.2	\$44.53 12 reads a year	

M16 - One off manual interval read Provision upon request of interval energy data collected as a manual read from an accumulation meter	MS-20 One Off manual interval read Charges under the MSLA <ul style="list-style-type: none">Metro: \$17.66Country: \$44.91	Reference service M16 under AA4 appears to be the same service as MS-20 under the MSLA ⁴ . Synergy has contracted for this type of service in 2015/16 for substantially less than the \$17.66 metro charge. Synergy requires the ERA to ensure the charges are consistent with clause 6.6(1)(e) of the Code.
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⁴ Refer to the MSLA page 25 “One Off Manual Interval Read”.