

Consultation on Western Power's Model Service Level Agreement

18 March 2020

Economic Regulation Authority

WESTERN AUSTRALIA

D212806

Invitation to make submissions

Submissions are due by 4:00 pm WST, Friday, 17 April 2020

The ERA has published a consultation paper on its findings on Western Power's proposed amendments to its model service level agreement.

The model service level agreement details the metering services that Western Power must provide and the terms and conditions it must offer, including applicable charges. It is required under the *Electricity Industry (Metering) Code 2012*.

The public consultation process is an important part of determining whether the model service level agreement is compliant with the Metering Code and will work effectively. The ERA welcomes feedback from all interested parties, particularly those with practical experience of the application of the model service level agreement.

The ERA now invites Metering Code participants and interested parties to make submissions on Western Power's proposed model service level agreement and the ERA's findings.

We would prefer to receive your comments via our online submission form <https://www.erawa.com.au/consultation>

You can also send comments through:

Email: publicsubmissions@erawa.com.au

Post: PO Box 8469, PERTH BC WA 6849

Please note that submissions provided electronically do not need to be provided separately in hard copy.

All submissions will be made available on our website unless arrangements are made in advance between the author and the ERA. This is because it is preferable that all submissions be publicly available to facilitate an informed and transparent consultative process. Parties wishing to submit confidential information are requested to contact us at info@erawa.com.au.

For further information please contact

General Enquiries

Emmanuel Miti
Ph: 08 6557 7958
info@erawa.com.au

Media Enquiries

Natalie Warnock
Ph: 08 6557 7933 | Mob: 0428 859 826
media@erawa.com.au

Contents

| | | |
|-----------|--|----------|
| 1. | Summary | 1 |
| 2. | Background | 3 |
| 2.1 | Regulatory requirements | 3 |
| 2.2 | Western Power’s proposal | 6 |
| 2.3 | Public consultation..... | 6 |
| 3. | Findings | 8 |
| 3.1 | Metering services offered | 9 |
| 3.1.1 | Western Power’s proposal | 10 |
| 3.1.2 | Synergy’s submission..... | 11 |
| 3.1.3 | Findings | 11 |
| 3.2 | Metering service descriptions | 18 |
| 3.2.1 | Western Power’s proposal | 18 |
| 3.2.2 | Synergy’s submission..... | 18 |
| 3.2.3 | Findings | 18 |
| 3.3 | Process for requesting metering services | 19 |
| 3.3.1 | Western Power’s proposal | 19 |
| 3.3.2 | Synergy’s submission..... | 20 |
| 3.3.3 | Findings | 20 |
| 3.4 | Meter reading schedule | 21 |
| 3.4.1 | Western Power’s proposal | 21 |
| 3.4.2 | Synergy’s submission..... | 21 |
| 3.4.3 | Findings | 21 |
| 3.5 | Time frames and service levels | 23 |
| 3.5.1 | Western Power’s proposal | 24 |
| 3.5.2 | Synergy’s submission..... | 25 |
| 3.5.3 | Findings | 26 |
| 3.6 | Charges for metering services | 28 |
| 3.6.1 | Western Power’s proposal | 28 |
| 3.6.2 | Synergy’s submission..... | 29 |
| 3.6.3 | Findings | 29 |
| 3.7 | Terms and conditions | 35 |
| 3.7.1 | Definitions and interpretation..... | 36 |
| 3.7.2 | Term | 37 |
| 3.7.3 | Services..... | 38 |
| 3.7.4 | Financial covenants by user..... | 39 |
| 3.7.5 | Invoicing, payment and GST | 40 |
| 3.7.6 | Representations and warranties..... | 43 |
| 3.7.7 | Force majeure | 44 |
| 3.7.8 | Default | 47 |
| 3.7.9 | Liability and indemnity | 48 |
| 3.7.10 | Dispute resolution..... | 51 |
| 3.7.11 | Assignment and encumbrances | 51 |
| 3.7.12 | Miscellaneous..... | 52 |
| 3.7.13 | Set off | 55 |

3.7.14 Definitions55

List of appendices

Appendix 1 Comparison of prices in the current and proposed MSLA 62

Appendix 2 Comparison of service standards in the current and proposed MSLA 66

**Appendix 3 Comparison of Western Power’s proposed Extended Metering Service fees
to the National Electricity Market 70**

Appendix 4 Electricity Industry (Metering) Code 2012 – Clause 5.21 78

1. Summary

Western Power's model service level agreement (MSLA) is a requirement under the *Electricity Industry (Metering) Code 2012* and was first approved by the Economic Regulation Authority in March 2006.

The MSLA details the metering services that Western Power must provide and the terms and conditions it must offer, including applicable charges. The MSLA automatically applies to metering services if a user does not have its own agreement with Western Power.

The MSLA has not been amended since March 2006.

On 13 November 2019, Western Power submitted a proposed revised MSLA to the ERA in accordance with Division 6.2 of the Metering Code.¹

As required under clause 6.20(2) of the Metering Code, the ERA published a notice to initiate a review of Western Power's MSLA on 21 November 2019.² The ERA published Western Power's proposed revised MSLA and invited public submissions from Metering Code participants and interested parties.

The public consultation period closed on 19 December 2019. The ERA received one submission, from Synergy.³

The ERA's view is that changes are required to the proposed MSLA so that it complies with the Metering Code.

The changes required include:

- The process for amending the meter reading schedule – section 3.4.
- Clarification of service standards – section 3.5.
- Clarification of charges included in network charges – section 3.6.3.1.
- The treatment of travel costs in fees for metering services – section 3.6.3.2 .
- Fees for meter exchanges – section 3.6.3.3.
- The process for updating metering service fees – section 3.6.3.4.
- Verification that cancellation fees include only costs actually incurred and that could not be avoided – section 3.6.3.5.
- Alignment of the terms and conditions of the MSLA with the standard access contract - modified where necessary for specific Metering Code requirements – section 3.7.
- Clarification of the obligations and responsibilities of Western Power and users for the delivery of metering services under the MSLA and consequences if the metering services are not provided in accordance with the MSLA – section 3.7.

The changes Western Power has proposed are extensive, including renaming the services offered and restructuring the entire document. The ERA recognises that it may have been

¹ The *Electricity Industry (Metering) Code 2012* replaced the *Electricity Industry (Metering) Code 2005*.

² A copy of Western Power's amended proposal can be found here: <https://www.erawa.com.au/electricity/electricity-access/western-power-network/model-service-level-agreement>

³ The submission received can be found here: <https://www.erawa.com.au/electricity/electricity-access/western-power-network/model-service-level-agreement>

difficult for some users to identify and assess the effect these changes will have on their business operations. This consultation paper sets out details of the proposed changes and highlights areas where the ERA is seeking feedback from stakeholders with practical experience of metering services.

The ERA will take account of any feedback before publishing its draft findings for further consultation.

2. Background

2.1 Regulatory requirements

The Metering Code requires Western Power to have an MSLA specifying the metering services provided, together with the service levels and prices for those services. The MSLA and any amendments to it must be approved by the ERA.

Under clause 5.2 of the Metering Code, the MSLA automatically applies if there is no written service level agreement:

5.2 Unwritten service level agreement adopts model service level agreement

If a network operator provides, and a user accepts, a metering service and there is no written service level agreement between the parties in respect of the metering service, then unless the parties agree otherwise, the terms of the unwritten service level agreement for the metering service are to be taken to be those set out in the model service level agreement in respect of the metering service.

Clause 6.5 of the Metering Code states the requirements for all documents required under the Metering Code:⁴

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.

The Metering Code objectives are set out in clause 2.1 of the Metering Code:

2.1 Code Objectives

- (1) The *Code objectives* are to:
 - (a) promote the provision of accurate metering of electricity production and consumption;
 - (b) promote access to and confidence in *data* of parties to commercial *electricity* transactions;
 - (c) facilitate the operation of Part 8 and Part 9 of the Act, the *Customer Transfer Code* and the *Code of Conduct*.

⁴ The Metering Code also requires Western Power to have:

- A metrology procedure containing information on the devices and methods used to measure, record, prepare and provide energy data. The procedure must also specify the minimum requirements for meters and metering installations, the procedures for estimating, substituting and validating energy data and procedures for ensuring accuracy of meters.
- A mandatory link criteria specifying any communication links required as part of a metering installation.
- Communication rules setting out rules for the communication of information and data between Code participants.

- (2) *Code participants* must have regard to the *Code objectives* when performing an obligation under this *Code*, whether or not the provision under which they are performing refers expressly to the *Code objectives*.

Clause 6.6 of the Metering Code sets out the requirements specific to the MSLA:

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*, the *Code of Conduct* 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) 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), specify 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, provide 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) provide 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) require 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 specify 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*.

{Note: Without limiting clause 6.6(1), a *model service level agreement* must, at least:

 - (a) specify service levels (including timeframes) under clause 3.11(2);
 - (b) specify test and audit service levels under clause 5.21;

- (c) contain a mandatory charging provision under clause 5.21(9);
- (d) specify the service levels (including timeframes) for the provision, installation, operation and *maintenance of metering installations* under clause 3.5(1);
- (e) specify a time limit for the purposes of clause 5.13(2);
- (f) specify service levels (including timeframes) for *metering repairs*.)

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

Clause 6.20 sets out the requirements for the review and amendment of all documents required under the Metering Code:

6.20 Review and amendment of network operator's documents (other than communication rules)

- (1A) This clause 6.20 does not apply in respect of communication rules.
- (1) The Authority may in its absolute discretion:
 - (a) of its own initiative; or
 - (b) upon request by a Code participant,
 require or permit a network operator to amend a document provided that the document as amended must comply with this Code.
- (2) Before requiring or permitting an amendment to a document under this clause 6.20, the Authority must initiate a review of the document under clause 6.20(3), which review may be of the whole document or only that part of the document for which the amendment is proposed.
- (3) The Authority must, if it undertakes a review under this clause 6.20:
 - (a) within 50 business days after initiating the review:
 - (i) publish its draft findings in relation to the review; and
 - (ii) notify the network operator of its draft findings;
 and
 - (b) allow a period of at least 20 business days after publication of the draft findings for persons to make submissions in relation to the draft findings; and
 - (c) within 10 business days after the end of the period in 6.20(3)(b):
 - (i) publish its final findings in relation to the review (which must detail any amendments required to the document) together with any submissions made under clause 6.20(3)(b) in relation to the review; and
 - (ii) notify the network operator of its final findings.
- (3A) The Authority may on one or more occasions extend the time limits specified in clauses 6.20(3)(a) and 6.20(3)(c) for a period determined by the Authority.
- (3B) The Authority must not exercise the power in clause 6.20(3A) to extend the time limits specified in clauses 6.20(3)(a) and 6.20(3)(c) unless, before the day on which the time would otherwise have expired, it publishes notice of, and reasons for, its decision to extend the time limit.
- (4) The network operator must amend any document in accordance with the Authority's final findings.

- (5) The network operator must publish any document that has been amended under clause 6.20(4).
- (6) If a network operator fails to amend a document as required under clause 6.20(4), the Authority may publish the amendment, and the document has effect as amended by the published amendment, from the time of publication or such other time as is stated in the publication.

The ERA must also have regard to the requirements of section 26 of the *Economic Regulation Authority Act 2003*:

26. Authority to have regard to certain matters

- (1) In performing its functions, other than the functions described in section 25(c)⁵ and (d)⁶, the Authority must have regard to –
 - (a) the need to promote regulatory outcomes that are in the public interest;
 - (b) the long-term interests of consumers in relation to the price, quality and reliability of goods and services provided in relevant markets;
 - (c) the need to encourage investment in relevant markets;
 - (d) the legitimate business interests of investors and service providers in relevant markets;
 - (e) the need to promote competitive and fair market conduct;
 - (f) the need to prevent abuse of monopoly power or market power;
 - (g) the need to promote transparent decision-making processes that involve public consultation.
- (2) The Authority has the discretion as to the weight it gives to each of the matters referred to in subsection (1) in the performance of a particular function.
- (3) Nothing in subsection (1) limits a provision of another written law that requires the Authority, in performing a particular function, to have regard to, or take into account, particular objectives, considerations or other matters.
- (4) If there is any conflict or inconsistency between subsection (1) and a provision described in subsection (3), the latter provision prevails to the extent of the conflict or inconsistency.

2.2 Western Power’s proposal

Western Power’s MSLA has not been amended since it was first approved by the ERA in March 2006.

The details of Western Power’s proposal are set out in the relevant sections below.

2.3 Public consultation

The ERA published Western Power’s proposed MSLA on 21 November 2019 and invited submissions. The ERA received one submission, from Synergy.

In its submission, Synergy stated that it supported the proposed metering service standards, metering service descriptions and metering service transactions.

⁵ The functions it is given by or under the *National Gas Access (WA) Act 2009*.

⁶ The functions referred to in section 20(1) of the *Railways (Access) Act 1998*.

However, Synergy submitted there were additional matters it considered the ERA needed to determine on terms and conditions and pricing. Details of the matters Synergy raised in its submission are included below in the relevant sections.

3. Findings

Western Power's proposed MSLA and the ERA's preliminary findings on each of the requirements listed in clause 6.6(1) of the Metering Code are set out in the following sections.

The requirements have been grouped under the headings below:

- metering services offered
- metering service descriptions
- process for requesting metering services
- meter reading schedule
- timeframes and service levels
- charges for metering services
- terms and conditions.

Each section includes specific questions for users which will assist the ERA to complete its findings.

3.1 Metering services offered

Clause 6.6(1)(a) sets out the requirements for services to be included in the MSLA:

- (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*, the *Code of Conduct* and the *Customer Transfer Code* require the *network operator* to provide); and
 - (ii) may provide,
- to other *Code participants* on request,

The Metering Code defines a metering service as:

... a service in connection with the measurement of electricity production or consumption, including in connection with:

- (a) the provision, installation, operation and maintenance of metering equipment; and
- (b) the obtaining, provision, storage and processing of data; and
- (c) services ancillary to the services listed in paragraphs (a) and (b) of this definition.

The metering services a network operator is required to provide under the Metering Code include:

- Clause 3.5(1) – ensure that there is a *metering installation* at every *connection point* on its *network* which is not a *Type 7 connection point*.⁷
- Clause 3.5(3) – provide, install, operate and maintain the *metering installations*:
- Clause 5.3 – read meters.
- Clause 5.6 – provide energy data after the meter reading.
- Clause 5.8 – provide data for user’s obligations under the *Code of Conduct for the Supply of Electricity to Small Use Customers*.
- Clause 5.9 – provide standing data to users.⁸
- Clause 5.10 – provide standing data to retailers.
- Clause 5.11 – provide standing data to an incoming retailer.
- Clause 5.12 – provide energy data on request to current users.
- Clause 5.13 – provide standing data on request to current users.
- Clause 5.14 – provide bulk standing data on request to current users.

⁷ Clause 3.9(2) states a connection points is Type 7 if it is associated with one or more of the following loads:

- Street, traffic, park, community, or security lighting; or
- Ticket issuing machines, parking meters, or community watering systems; or
- Telephone service requirements; or
- Loads consuming less than the starting electric current of a meter;
- Or other loads of a similar nature.

⁸ Clause 4.3 of the Metering Code sets out a description and source of information that must be recorded as standing data by the network operator in the metering database.

- Clause 5.17 – provide energy data and standing data to third parties if directed to do so by a customer.
- Clause 5.20 – undertake energy data verification on request.
- Clause 5.21 – undertake tests and audits on request.

Metering services required to meet Code of Conduct obligations include:

- meter readings for customer billing
- meter readings on request
- verify energy data and meter readings on request
- install and energise connections
- de-energise and re-energise connections.

Metering services required to meet Customer Transfer Code obligations include:

- provide standing data
- provide historical consumption
- install new meters
- provide meter readings.

3.1.1 Western Power's proposal

The current MLSA includes “standard” metering services and “extended” metering services. Standard metering services include:

- meter installation and energisation
- scheduled meter readings
- meter repairs and replacements not requested by users
- standing data and historical energy data provision.

The costs of standard metering services are recovered through network charges under the access arrangement.

Extended metering services include:

- Meter re-configurations, exchanges and communication installations requested by users.
- Non-scheduled special meter readings requested by users.
- Meter investigations and testing requested by users.
- De-energising and re-energising users.

The costs of extended metering services are recovered through the MSLA fees.

Western Power's proposal includes:

- Combining all the current individual scheduled meter reading services into a single scheduled meter reading service.
- Introducing three categories of standard metering services.
- Various amendments to the other services offered in the current MSLA.

Details of the proposal are included in the ERA's preliminary findings below.

3.1.2 Synergy's submission

Synergy did not address the list of services in its submission.

3.1.3 Findings

Scheduled meter reading services

Western Power has consolidated the individual scheduled meter reading services in the current MSLA into a single service. The proposed service, MS-1 Scheduled Energy Data Provision, replaces current services:

- 9. Scheduled Bi-Monthly Meter Reading
- 10. Scheduled Monthly Meter Reading
- 14. Manually Collected Energy Interval Data (Monthly)
- 15. Remotely Collected Energy Interval Data (Monthly)
- 16. Remotely Collected Energy Interval Data (Daily)

Table 2 of Schedule 2 in the proposed MSLA sets out the suite of energy data provision services available under the access arrangement.

Scheduled energy data provision continues to be a standard metering service with the costs recovered through network charges.

The proposed changes are consistent with the ERA's decision on Western Power's revised access arrangement for the period 2017 to 2022. The ERA required Western Power to unbundle metering from network services and include a suite of metering services in the access arrangement. Users are now able to choose the frequency and type of meter reading they want through the same process they use to acquire network services, rather than being required to undertake a separate application process under the MSLA. The process for scheduled meter reading services continues to be included in the MSLA.

Categorisation of metering services

To accommodate the changes to metering services in the access arrangement, Western Power has expanded Standard Metering Services into three new categories:

- "Reference Service (Metering) (standard metering service)"
- "Additional Reference Service (Metering)"
- "Accessory Metering Services – Reference Services (Metering)".

The proposed classification for each Standard Metering Service is set out in Table 1.

Table 1: Western Power’s proposed new classifications for Standard Metering Services

| Proposed services and classification | |
|--|---|
| Reference Service (Metering) (standard metering service) | MS-1 Scheduled Energy Data provision MS-2 Meter installation and energisation |
| Additional Reference Service (Metering) | MS-1 Scheduled Energy Data provision ⁹ MS-20 One-off manual Interval Read |
| Accessory Metering Services – Reference Services (Metering) | MS-3 Standing data provision MS-4 Historical energy data provision MS-5 Metering installation repair MS-6 Meter upgrade/replace (not User requested) |

Services classified as “Reference Service (Metering) (standard metering service)” and “Additional Reference Service (Metering)” are obtained through the access arrangement processes. Requests for services classified as “Accessory Metering Services – Reference Services (Metering)” are made under the MSLA processes.

Consistent with the Standard Metering Services in the current MSLA, the costs for all three new categories of Standard Metering Services will be recovered through network charges under the access arrangement.

The proposed changes are consistent with the ERA’s decision on Western Power’s revised access arrangement for the period 2017 to 2022.

Other amendments to the list of metering services

In its proposed MSLA, Western Power has renamed, renumbered and re-ordered the existing services. Some services have been modified or removed and new services have been added.

Table 2 below provides a line by line comparison of each current service with the proposed service and a brief description of any changes.

⁹ MS-1 Scheduled Energy Data provision is included as both a “Reference Service (Metering) (standard metering service)” and an “Additional Reference Service (Metering)” as it depends whether it is the default metering service for the user’s network reference service or the user has chosen a different metering service.

Table 2: Summary of Western Power's proposed changes to services included in the MSLA

| Current service | Proposed service | Description |
|---|--|--|
| 1. Establishment and Energisation of a Metering Connection Point | MS-2 Meter installation and energisation | Current service continues to be offered. |
| 2. Meter Upgrade | MS-6 Meter upgrade/replace (not User requested) | Current service continues to be offered. |
| 3. Meter Change: <ul style="list-style-type: none"> • 3a CT interval meter upgrade • 3b. Direct interval meter installation three phase • 3c. Direct interval meter installation single phase • 3d. Direct meter change single phase • 3e. Direct meter change three phase • 3f. Direct interval meter change three phase • 3g. Direct interval meter change single phase | MS-9 Meter exchange <ul style="list-style-type: none"> • A. Single phase whole current meter • B. Three phase whole current meter • C. Current transformer meter | The types of meters offered have been updated because accumulation meters are no longer being installed. |
| 4. De-Energise <ul style="list-style-type: none"> • Direct Meter De-Energise Single Phase and Three Phase | MS-7 De-energise (manual) <ul style="list-style-type: none"> • A. Low voltage supply • B. High voltage supply | The proposed service differentiates between low voltage and high voltage supplies. <ul style="list-style-type: none"> • High voltage is any nominal voltage above 1kV • Low voltage is any nominal voltage of 1kV and below. |
| 5. Re-Energise <ul style="list-style-type: none"> • Direct Meter Energising Single and Three Phase | MS-8 Re-energise (manual) <ul style="list-style-type: none"> • A. Standard – low voltage supply • B. Urgent – low voltage supply • High voltage supply | The proposed service differentiates between high and low voltage. An urgent re-energise for low voltage supplies has been added. |
| 6. Meter Investigation | MS-10 Meter investigation | Current service continues to be offered. |

| Current service | Proposed service | Description |
|---|---|--|
| 7. Communications Installation: <ul style="list-style-type: none"> 7a. On existing compatible interval meter 7b. With the interval meter installation. | MS-11 Communications link installation <ul style="list-style-type: none"> A. Radio frequency communications link B. Cellular communications link | A separate service to install a communication link with a new meter is no longer required as new meters include a communications link. |
| 8. Supply Abolishment <ul style="list-style-type: none"> 8a. Residential 8b. Commercial | Removed | This service was approved as a reference service - D1 - in the access arrangement. |
| 11. Non-Scheduled Special Meter Reading <ul style="list-style-type: none"> Metro Country | MS-19 Non-scheduled special meter reading <ul style="list-style-type: none"> A. Accumulation Meter (Manual with or without Nomination Date) B. Interval Meter (Manual with or without Nomination Date) C. Interval Meter (Remote) D. Appointment – Accumulation Meter (Manual) E. Appointment – Interval Meter (Manual) | The proposed service differentiates between manual, remote and interval readings and whether an appointment is required. Separate metro and country services are no longer specified as this is taken into account in the charges. |
| 12. Card Meter Reading | Discontinued | No longer offered as a specific service. |
| 13. Customer Meter Reading | Discontinued | No longer offered as a specific service but a customer reading can be used if agreed with Western Power. |
| 17. Historical Energy Interval Data (up to 12 months or part thereof) | MS-4 Historical Energy Data provision | Proposed service includes up to 24 months data. |
| 18. Standing Data Provision | MS-3 Standing data provision | Current service continues to be offered. |
| 19. Energy Interval Data Produced by Survey Meter | Discontinued | No longer offered. |

| Current service | Proposed service | Description |
|---|---|---|
| 20. Additional Historical Energy Interval Data (13 to 24 months) | Included in MS-4 | Still offered but included in MS-4. |
| 21. Verify Meter Data | MS-18 Verify meter energy data | Current service continues to be offered. |
| 22. Enablement of Signal Capabilities <ul style="list-style-type: none"> 22a. Enablement of signal capabilities and signal maintenance. 22b. Option of up front capital cost to retro fit signals (signals not maintained). 22c. Option of up front capital to enable signal when meter installed (signals not maintained). 22d. Maintenance of signals for options 22b and 22c. | MS-16 Enablement of signal pulse outputs | Reduced to a single service. |
| 23. Meter Test (laboratory) – Single and Three Phase <ul style="list-style-type: none"> 23a. Single phase 23b. Three phase | MS-13 Meter test (laboratory) <ul style="list-style-type: none"> A. Single phase whole current meter B. Three phase whole current meter | Current service continues to be offered. |
| 24. Meter Test (on site) – Single and Three Phase <ul style="list-style-type: none"> 24a. Single phase 24b. Three phase | MS-14 Meter test (on-site) <ul style="list-style-type: none"> A. Single phase whole current meter B. Three phase whole current meter C. Current transformer meter | The proposed service includes current transformer meters. |
| 25. CT Meter Test (on site) | Included in MS-14 | |
| 26. Meter Installation Repair | MS-5 Metering installation repair | Current service continues to be offered. |

| Current service | Proposed service | Description |
|----------------------------------|---|--|
| 27. Meter Reconfiguration | MS-15 Meter reconfiguration <ul style="list-style-type: none"> • A. Manual • B. Remote | Proposed service differentiates between manual and remote meter re-configurations. |
| N/A | MS-12 Communications link de-activation | New service. |
| N/A | MS-17 Remove meter | New service |
| N/A | MS-20 One off manual interval read | This metering service is selected and charged for under the access arrangement. |

Generally, the list of current services has been expanded. Exceptions to this are:

- Installation of accumulation meters has been deleted as advanced meters will be installed for all new connections.
- Supply abolishment has been deleted as it is now included as a reference service under the access arrangement.
- Card and customer meter readings are no longer listed as specific services, but a customer reading can be used if agreed with Western Power.
- Energy interval data produced by survey meter, which is not a service specified under the Metering Code, is no longer listed as a service.

The ERA's preliminary finding is that the proposed list of services meets the requirements of clause 6.6(1)(a)(i) to include at least all of the metering services the network operator is required to provide under the Metering Code, the Code of Conduct and the Customer Transfer Code.

Seeking feedback from users

The ERA is seeking feedback from users of Western Power's metering services to confirm that the list of services includes all of the services required under the Metering Code, Code of Conduct and the Customer Transfer Code.

3.2 Metering service descriptions

Clause 6.6(1)(b)(i) sets out the requirement for detailed descriptions of metering services:

- (1) A *model service level agreement* must at least:
 - ...
 - (b) for each *metering service* referred to in clause 6.6(1)(a), specify:
 - (i) detailed description of the *metering service*;

3.2.1 Western Power's proposal

The current MSLA combines service descriptions and service standards in Schedule 3.

In its revised MSLA, Western Power has separated service descriptions and service standards. Service descriptions are set out in Schedule 3 and service standards have been moved to Schedule 4.

Western Power has amended the service descriptions to incorporate the changes to metering services.

3.2.2 Synergy's submission

Synergy supported the revised metering service descriptions.

3.2.3 Findings

As required under clause 6(1)(b)(i), the proposed MSLA includes a description for each service. The ERA considers the level of detail needs to be sufficient to enable users to clearly understand the service that will be delivered.

The level of detail in the proposed descriptions appears to be at least equal to the descriptions in the current MSLA. The ERA is seeking feedback from users on whether the proposed descriptions are sufficiently detailed to enable them to clearly understand the service that will be delivered.

Seeking feedback from users

The ERA is seeking feedback from users of Western Power's metering services to confirm that the proposed descriptions are sufficiently detailed to enable users to clearly understand the service that will be provided.

3.3 Process for requesting metering services

Clause 6.2(1)(g) sets out the requirements for metering service requests:

- (1) A *model service level agreement* must at least:
- ...
- (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*.

Clause 5.1(4) of the Metering Code specifies the information to be submitted by a Metering Code participant to a network operator when requesting a metering service from the network operator. The information required includes name, address and the type of metering service requested.

Appendix 4 of the Metering Code includes the following requirements for requests for metering services:

- The network operator must develop a metering service order form suitable for transmission by electronic communication for use by users.
- Upon the successful, or unsuccessful, completion of the work, or the cancellation of a metering service order, the network operator must send a response to the user with details of the status of the requested work.
- Completion of a metering service order may result in either or both of changes to standing data and collection of energy data, in which case the relevant provisions of the Metering Code apply.
- A user may request a preferred appointment date and time and the network operator must make reasonable endeavours to perform the metering service at that preferred date and time.
- Unless otherwise agreed, a user who wishes to revise a previously notified preferred date and time must request the network operator to cancel the metering service order and must submit a new order specifying the new preferred date and time.
- The network operator must publish a form to allow a user to request the network operator to cancel a metering service order.
- Upon receipt of a request to cancel a metering service order, the network operator must use reasonable endeavours to ensure that the previously requested work is not carried out and costs are not incurred.

3.3.1 Western Power’s proposal

Clause 3.3 of the current MSLA sets out how users can request metering services:

The *user* may request the provision of new or additional *metering services*, or the cancellation of *metering services*, which are being provided by Western Power under this Agreement by submitting to Western Power a *service request* in accordance with the *Code* and the *communication rules*. Detail in relation to the transactions, processes and procedures will be provided in the *build pack*.¹⁰

¹⁰ “Communication rules” are required under the Metering Code and set out rules for the communication of information and data between Metering Code participants.

“Service Request” is defined as “either a written or electronic request submitted by the User to Western Power, in accordance with the communication rules.”

In its revised MSLA, Western Power has amended clause 3.3 to the following:

The User may request the provision of Metering Services under this Agreement, by submitting to Western Power a Service Order in accordance with the Code and the Communication Rules.

Western Power has defined “Service Order” as “a request for a Service submitted by the User to Western Power in accordance with the communication rules.”

The type of Service Order required for each metering service is included in the service descriptions in Schedule 3. A diagram of the Service Order Process is included in Figure 1 of Schedule 4.

3.3.2 *Synergy’s submission*

Synergy supported the revised processes for metering service transactions.

3.3.3 *Findings*

The ERA has compared the processes set out in the proposed MSLA with the requirements set out in Appendix 4 of the Metering Code. The ERA has identified two deficiencies.

Appendix 4 provides for users to request a preferred appointment date and time and the network operator must make reasonable endeavours to perform the metering service at that preferred date and time. Only the proposed non-scheduled special metering service includes provisions for a user to request a nominated date or appointment time.

Appendix 4 requires the network operator to publish a form to allow a user to request to cancel a service order. The proposed MSLA includes cancellation fees but a process and form to request a cancellation is not included in the MSLA.

Required amendment

The MSLA must include:

- a process for requesting a preferred appointment time for all metering services
- a process for requesting the cancellation of services.

Apart from the deficiencies described above, the ERA’s preliminary finding is that the processes set out in the proposed MSLA comply with the requirements of clause 6.2(1)(g) and Appendix 4 of the Metering Code.

Seeking feedback from users

The ERA is seeking feedback from users of Western Power’s metering services to confirm that the proposed processes for requesting services meet the requirements of the Metering Code.

3.4 Meter reading schedule

Clause 6.6(1)(f) sets out the requirements for meter reading schedules:

- (1) A model service level agreement must at least:
- ...
- (f) require 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 specify the procedures by which, and frequency with which, this list may be revised;

3.4.1 Western Power's proposal

The current MSLA includes the requirements of Clause 6.6(1)(f) on pages 31 and 33 of Schedule 3:

When a network connection is established, the network operator will assign a metering reading frequency ..., and a specific route and reading cycle day, along with a best fit in schedule and route optimisation.

The *network operator* will *publish*, each year all metering reading schedules for all network connection points for the following calendar year by October 31. Any subsequent additions (or changes) to this *published* schedule during the year will added to the existing schedule and *published*, following consultation with the relevant and impacted *Code participants*.

In the proposed MSLA, meter reading schedule requirements have been included in the service description for MS-1 Scheduled Energy Data Provision on page 36:

When a Metering Point is established, Western Power will assign a Reading Day Number to a Meter in the Meter Reading Schedule.

Western Power will publish a Meter Reading Schedule, for the following calendar year by 31 October each year. New meters will be added to the Meter Reading Schedule, during the year as new Metering Points are established. Western Power may amend the Meter Reading Schedule during the year for Meter Reading optimisation, following consultation with the User. Where amended, Western Power will publish an amended Meter Reading Schedule.

3.4.2 Synergy's submission

Synergy's submission did not address the meter reading schedule.

3.4.3 Findings

The ERA's preliminary finding is that the proposed MSLA meets the requirements of clause 6.6(1)(f) to publish annually a meter reading schedule and assign meter reading dates to each meter. However, the proposed MSLA does not comply with the requirement to specify the procedures by which, and the frequency with which, the meter reading schedule may be revised.

Changes to the reading day number affects the billing of customers. It could lead to a retailer not being able to comply with its obligations to its customers.

The ERA considers greater detail is needed about when and how changes can be made to the meter reading schedule, including when users will be notified, what consultation will be undertaken and how Western Power will ensure users are able to meet their customer obligations.

Required amendment

The MSLA must include details about when and how changes can be made to the meter reading schedule. This should include when users will be notified, what consultation will be undertaken and how Western Power will ensure users are able to meet their billing obligations.

3.5 Time frames and service levels

Clause 6.6(1)(b)(ii) requires timeframes and service levels to be included in the MSLA:

- (1) A *model service level agreement* must at least [include]:
- ...
- (ii) a timeframe, and where appropriate other service levels, for the performance of the *metering service*,

The note to clause 6.6(1) includes further requirements relevant to time frames and service levels:

{Note: Without limiting clause 6.6(1), a model service level agreement must, at least:

- (a) specify service levels (including timeframes) under clause 3.11(2);
- (b) specify test and audit service levels under clause 5.21;
- (c) ...
- (d) specify the service levels (including timeframes) for the provision, installation, operation and maintenance of metering installations under clause 3.5(1);
- (e) specify a time limit for the purposes of clause 5.13(2);
- (f) specify service levels (including timeframes) for metering repairs.}

Clause 3.11(2) requires that if an outage or malfunction occurs to a metering installation, the network operator must (subject to clause 3.5(7)) make repairs to the metering installation in accordance with the applicable service level agreement:¹¹

3.11 Reliability of metering installations

...

- (2) If an outage or malfunction occurs to a metering installation, the network operator must (subject to clause 3.5(7)) make repairs to the metering installation in accordance with the applicable service level agreement.

Clause 5.21 deals with metering test and audit requests.¹²

Clause 3.5(1) requires a network operator to ensure there is a metering installation at every connection point on its network which is not a Type 7 connection point:

3.5 Requirements for a metering installation

- (1) A network operator must ensure that there is a metering installation at every connection point on its network which is not a Type 7 connection point.

Clause 5.13 of the Metering Code sets out the timeframe for providing standing data, including whether there is a communications link at the metering point:

5.13 Current user may request standing data

- (1) If the *current user* for a *metering point* gives the *network operator* a *standing data* request for the *metering point* in accordance with the *communication rules*, then the *network operator* must:
- (a) provide the *current user* with the complete current set of *standing data* for the *metering point*; and

¹¹ Clause 3.5(7) states that, unless otherwise agreed, a network operator is not required to maintain any metering equipment owned by a user or user's customer.

¹² An extract of clause 5.21 of the Metering Code is included at Appendix 4.

- (b) advise whether there is a *communications link* for the *metering point*.
- (2) The *network operator* must comply with clause 5.13(1) within 2 *business days* after receipt of the request.

The timeframe for undertaking and providing meter readings is set out in clause 5.3 of the Metering Code:

5.3 Network operator must read meters

A *network operator* must, for each *metering point* on its *network*:

- (a) obtain *energy data* from the *metering installation* for the *metering point*, and
- (b) transfer the *energy data* into its *metering database*,

by no later than 2 *business days* after the *date for a scheduled meter reading* for the *metering point* (or such other time as is specified in applicable *service level agreement*).

Timeframes for de-energising and re-energising are set out in the Code of Conduct.

3.5.1 Western Power's proposal

The current MSLA combines service descriptions and service standards in Schedule 3.

In its revised MSLA, Western Power has separated service descriptions and service standards. Service descriptions are set out in Schedule 3 and service standards have been moved to Schedule 4.

Schedule 4 describes how timeframes and the performance against service standards are measured.

Western Power has proposed to increase the following timeframes:

- Meter Exchange (metropolitan) - from 5 business days to 10 business days.
- Meter Investigation (metropolitan) – from 5 business days to 10 business days.
- Communications Installation (metropolitan) – from 5 business days to 10 business days.
- Enablement of Signals (metropolitan) - from 5 business days to 10 business days.
- Enablement of Signals (country) – from 10 business days to 15 business days.
- Meter investigation on site test metropolitan - from 5 business days to 10 business days.
- Meter investigation on site test country – from 10 business days to 18 business days.
- Meter reconfiguration metropolitan - from 5 business days to 10 business days.

The current MSLA includes Key Performance Indicators (KPIs) for each metering service. For example, the service standard for a De-Energise Service in the metropolitan area is stated as one business day after receipt of the request. However, the KPI for all de-energisations is for 95 per cent of requests to be performed by the scheduled date.

Western Power has proposed to amend some of the KPIs as set out in **Table 3** below.

Table 3: Western Power’s proposed amendments to KPIs (%)

| Service name | Current KPI | Proposed KPI |
|---|-------------|--------------|
| MS-1 Scheduled meter reading | 99.5 | 99 |
| MS-2 Meter installation and energisation | 95 | 99 |
| MS-3 Standing data provision: Registry updated | 100 | 95 |
| Standing data published | | 99 |
| MS-4 Historical energy data | 100 | 99 |
| MS-8 Re-energise | 98 | 99 |
| MS-19 Non-scheduled special meter reading | 99.5 | 95 |
| MS-10 Meter Investigation- Inspect | 95 | 95 |
| MS-11 Communications installation | 95 | 95 |
| MS-16 Enablement of Signals | 95 | 95 |
| MS-13 Meter test (laboratory) | 95 | 95 |
| MS-14 Meter Investigation: on-site test | 95 | 95 |
| MS-15 Meter Reconfiguration (Non-AMI) | 95 | 95 |
| MS-18 Verify meter data | 98 | 99 |

Western Power has proposed to amend energy data provision accuracy. In the current MSLA, accuracy is measured on the number of non-estimated and non-substituted readings subsequently amended by another actual reading and is set at 99.5 per cent.¹³

As set out on page 63 of the proposed MSLA, Western Power has proposed energy data provision accuracy will be measured on the ratio of actual values (that is, based on a meter reading) to the total number of energy data values (that is, inclusive of estimated and substituted values) and set as follows:

- Manually read meters (not including self-read) – 96 per cent.
- Remotely read meters (not including self-read) – 98 per cent.
- Manual meter reading errors (not including self-read) – less than or equal to 2 per cent.

3.5.2 Synergy’s submission

In its submission, Synergy stated that it was satisfied with the proposed service standards. It did not specifically comment on the proposed changes to energy data provision accuracy.

¹³ An estimated or substituted value may be used if an adequate actual meter reading is not available.

3.5.3 Findings

The proposed MSLA includes a timeframe for each metering service offered. The timeframes for services with specified times in the Metering Code, Code of Conduct or Customer Transfer Code all appear to be within the specified times.

The services with timeframes Western Power has proposed to increase do not have mandated timeframes. Western Power explained its rationale for amending the timeframes:

As part of the review of the MSLA, Western Power has sought independent benchmarking of existing service standards relative to other jurisdictions. This has identified that in general, the performance targets outlined in the existing Model are similar to those prescribed in other jurisdictions in Australia. However, for a number of meter provision and technical services, the existing Model has shorter timeframes to undertake the work.

Western Power has reviewed the impact of these shorter timeframes and identified that they may be contributing to higher service delivery costs, particularly when servicing Country areas, where scheduling to meet shorter timeframes may result in suboptimal resource utilisation. As a result, Western Power is proposing amended service standards that seek to balance both timeliness and cost efficiency.

Western Power provided benchmarking information supporting its case that the proposed revised timelines are in line with timeframes adopted in other jurisdictions.¹⁴

The ERA's preliminary finding is that the proposed MSLA complies with the requirement to include timeframes and service levels for each metering service and that the proposed timeframes and service levels meet the minimum requirements set out in the Metering Code.

Seeking feedback from users

The ERA is seeking feedback from users of Western Power's metering services to confirm that the proposed service standards, including energy data provision accuracy, are consistent with the requirements of the Metering Code.

As described above, in addition to a service standard for each service, the MSLA includes a KPI for each service.

As set out in the tables on pages 61 to 62 of the proposed MSLA, each service standard is a specified timeframe. For example, the service standard for de-energisations in the metropolitan area is within one business day after receipt of the request.

However, the tables on pages 61 to 62 also include a column headed "KPI". The KPI for de-energisations in the metropolitan area is 95 per cent. The KPIs for other services range from 95 per cent to 99 per cent.

Performance is measured as follows:

- Performance to the service standard is measured on the difference between the requested date of the metering service and the actual change date.

¹⁴ Western Power, Western Power Metering Model SLA – Consultation on proposed Model SLA amendments, 25 August 2017, pp. 10-11.

- Performance against the KPI for each metering service is calculated on the number of services that met the service standard during the reporting period divided by the total number of services performed during the reporting period.¹⁵

The Metering Code refers to a “timeframe” for each service and does not explicitly contemplate KPIs. Unless a KPI was set to 100 per cent, it results in there not being a definitive timeframe for each service. On that basis, the ERA’s preliminary finding is that KPIs are not consistent with the requirements of clause 6.6(1)(b)(ii) to specify a timeframe for each service.

Required amendment

The KPIs must be removed from the MSLA.

¹⁵ For scheduled metering services, performance is calculated on the volume of data provision that met the service standard during the reporting period with the total volume of data provision during the reporting period.

3.6 Charges for metering services

Clause 6.6(1)(c) to (e) sets out the requirements for charges:

(1) A model service level agreement must at least:

...

- (c) subject to clause 5.21(9), specify 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, provide 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) provide 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*;

The note to clause 6.6(1) includes an additional requirement relevant to charges:

{Note: Without limiting clause 6.6(1), a model service level agreement must, at least:

...

- (c) contain a mandatory charging provision under clause 5.21(9);

Clause 5.21(9) requires a service level agreement to include a provision that no charge is to be imposed if the test or audit reveals a non-compliance with the Metering Code:

Any written service level agreement entered into under clause 5.21(7) must include a provision that no charge is to be imposed if the test or audit reveals a non-compliance with this Code.

Clause 4 of Appendix 4 of the Metering Code includes the following requirements relevant to charges for cancellations:

- (3) Upon receipt of a request to cancel a metering service order, the network operator must use reasonable endeavours to ensure that the previously requested work is not carried out and costs are not incurred.
- (4) A service level agreement (and a model service level agreement) may provide that, to the extent that the network operator complies with clause A4.2(3), the user must pay to the network operator the amount incurred by the network operator, acting efficiently in accordance with good electricity industry practice, before the work or costs were able to be stopped or cancelled.
- (5) The network operator must provide evidence to the user of the amount referred to in clause A4.2(4).

3.6.1 Western Power's proposal

The current MSLA includes prices in Schedule 3. Prices and pricing arrangements are set out in Schedule 5 of the proposed MSLA.

Western Power has proposed the following changes:

- Updating all prices.

- Setting different prices for metropolitan and country metering connections with travel costs included in the price for the metering service based on average travel times, rather than a separate charge based on actual travel time as is currently the case.¹⁶
- Setting a uniform price for new meters requested by users, installation of radio frequency communication links and manual meter reconfigurations. The proposed price is based on the cost of a visit by a technician and does not include the cost of the meter or any other materials.
- Including provisions for automatic annual updates of prices using the Wage Price Index published by the Australian Bureau of Statistics.
- Introducing cancellation fees.

3.6.2 Synergy's submission

Matters raised by Synergy in its submission are set out below under the relevant headings.

3.6.3 Findings

3.6.3.1 Update of prices

The MSLA prices have not been updated since 2006. A comparison of the current and proposed charges is included in Appendix 1 of these draft findings.

In the current MSLA, the costs for standard metering services are recovered through network charges under the access arrangement and the costs for extended metering services are recovered through MSLA charges.

Western Power has proposed to continue this approach as the costs for the three new categories of standard metering services will be recovered through network charges under the access arrangement.

Charges for standard metering services are set out in Table 21 of the 2019/20 Price List published on the ERA's website.¹⁷ The charges are based on the default metering service for the relevant network service. As set out in the Price List, additional charges may apply if the user selects a different metering service. The additional charge may only include Western Power's incremental costs of providing the selected metering service compared with the default service and may consist of capital and non-capital costs. The ERA will assess the incremental costs proposed by Western Power in the 2020/21 network charges price list review.

The proposed MSLA includes fees for some Standard Metering Services in Table 5 of Schedule 5.¹⁸ Although there are footnotes stating that these fees are included in the network tariff metering charges under the access arrangement, their inclusion in Table 5 creates confusion, as indicated in Synergy's submission.¹⁹

¹⁶ The metropolitan area is defined in the Metering Code. In addition to the Perth metropolitan area it includes the local government districts of Mandurah and Murray and the townsites of Albany, Bunbury, Geraldton and Kalgoorlie.

¹⁷ See <https://www.erawa.com.au/cproot/20450/2/ERA-Approved---Appendix-F.5---2019-20-Price-List.pdf>

¹⁸ Interval, bi-monthly manual, interval monthly manual, interval bi-monthly remote, interval monthly remote, interval daily remote and one-off manual interval read.

¹⁹ See pages 13 to 19, page 19 and page 21 of Synergy's submission.

Required amendment

Fees for Standard Metering Service that are recovered through network tariffs must be removed from Table 5 in Schedule 5 of the proposed MSLA.

In its submission, Synergy noted that there was insufficient published information for users to satisfy themselves that Western Power had sought to achieve the lowest sustainable cost of providing metering services. Synergy asked the ERA to ensure that the prices were consistent with the Metering Code requirements and were not based on “cost plus pricing”.

Synergy submitted network charges are subject to:

A rigorous price control 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 MSLA's – see clause 6.6(i)(e). However, the Metering Code does not specify how this is to be achieved.

The revenue Western Power receives for extended metering services through the MSLA is relatively small in comparison to the standard metering costs recovered through network tariffs. In 2016/17, network tariffs included \$76 million for standard metering services compared with \$7.2 million for extended metering services recovered through MSLA charges shown in Table 4 below.

Table 4: Extended Metering Services – Western Power's historical revenue and costs²⁰ (\$million nominal)

| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---------------|----------|---------|---------|---------|---------|
| Revenue | 8.659 | 5.246 | 5.747 | 5.278 | 7.213 |
| Expenditure | (11.143) | (5.817) | (7.002) | (6.469) | (7.492) |
| Profit/(Loss) | (2.485) | (0.571) | (1.255) | (1.191) | (0.279) |

Source: Western Power, *Western Power Metering Model SLA: Response to stakeholder submissions*, 22 December 2017, p. 4.

To update its prices, Western Power developed a pricing model with estimates of the average field, fleet and administration times and materials used for each service. The proposed fees are based on labour, fleet, material and indirect cost unit rates for the 2017 financial year. The results of the model were compared with the 2017 financial year actuals to validate the model and underlying assumptions.

As can be seen in Table 4, Western Power has been under-recovering its costs for Extended Metering Services. This indicates the current fees in the MSLA are below cost and, presumably, would have motivated Western Power to manage its expenditure efficiently to minimise losses. For that reason, the ERA considers it reasonable to assume the proposed starting prices are based on efficient costs.

As discussed later under automatic annual updates, the ERA has required Western Power to include a productivity improvement of 1 per cent each year, consistent with the access

²⁰ Excludes capital expenditure and capital contributions associated with Extended Metering Services.

arrangement decision for 2017/18 to 2021/22, to ensure the MSLA prices continue to reflect efficient costs.

Benchmarking against other service providers, included in Appendix 3, indicates Western Power's proposed metropolitan charges are in line with other service providers for 12 of the 18 services that could be compared. The exceptions are for different types of meter testing and urgent re-energisations. The ERA is seeking further information from Western Power to understand why these charges are higher compared with other service providers.

All Western Power's proposed country fees are higher than other service providers. As discussed below under travel costs, the ERA considers travel costs should be averaged across all customers.

Most services are charged a fixed fee. However, Western Power has proposed to price manual de-energisation and re-energisation services for high voltage supplies on application. The method that will be used to calculate the fee is included in Schedule 5 of the proposed MSLA. The unit rates that will be used in these calculations have not been included. Synergy submitted this is not consistent with the requirements of the Metering Code.

The Metering Code requires any applicable hourly labour rates, distance-related costs or equipment usage costs used in the calculation of the price to be included in the MSLA.

Required amendment

The MSLA must include details of any unit rates used in the calculation of fees for services priced on application.

3.6.3.2 Travel costs

The current MSLA fees are inclusive of 30 minutes of travel. Additional travel is charged at \$93.50 per hour for vehicle travel, or \$85 per hour plus airfare and accommodation for air travel.

Western Power proposes consolidating all travel costs in the fee for the metering service. It considers this is administratively easier to manage. It has developed a metropolitan and country fee for each service. Typically, the proposed country fees include additional travel time of 30 minutes compared with metropolitan fees. This can result in differences in fees of between \$30 to \$112 depending on the service.

Standard metering services included in network charges for customers using less than 1 Mega Volt Amp are charged on a uniform basis to all customers regardless of their geographic location. This is a requirement under clause 7.7 of the *Electricity Networks Access Code 2004*.

The largest component of metering costs – standard metering services – is averaged across all customers regardless of geographical location. In contrast, Western Power's proposed MSLA fees will result in country customers paying significantly higher fees than metropolitan customers.²¹

The MSLA services are consequential to having a meter. There are no efficiency benefits from setting the MSLA fees on a geographical basis. The ERA agrees consolidating travel

²¹ The definition of metropolitan includes customers in Albany, Bunbury, Geraldton and Kalgoorlie in addition to Perth.

costs in the metering fee will be administratively easier and less costly to manage. However, travel costs should be averaged across all customers rather than making an arbitrary differentiation between “metropolitan” and “country”.

Required amendment

Travel costs should be averaged across all customers.

3.6.3.3 *Prices for meters, radio frequency communication installations and meter re-configurations*

Western Power has proposed to charge a uniform fee for meter exchanges, regardless of the metering type. The proposed fee is \$64.55 in the metropolitan area and \$137.05 in country areas. It also applied the same fee to radio frequency communication installations and manual meter re-configurations.

The fee is based on the cost of a visit by a technician (24 minutes in metropolitan areas and 54 minutes in the country) and does not include the cost of the meter or any other materials.

The proposed fee for a cellular communications link is \$324.34 in the metropolitan area and \$396.84 in the country. This fee includes the cost of materials.

In its submission, Synergy supported the proposed fees for meter exchanges and radio frequency communication links. It considers the proposed fees will encourage the uptake of remote metering services and allow customers to benefit from the new services this infrastructure will provide.

The ERA is concerned that charging for new meters below cost could lead to meters being replaced unnecessarily. For example, if the price for a meter re-configuration is the same as a meter exchange, a user may be motivated to request a new meter even when it would be more cost-effective to reconfigure the existing meter.

It is also unclear from Western Power’s proposal how it intends the cost of meter exchanges requested by users will be funded. Currently, only metering expenditure for new connections and meter replacements are included in regulatory capital expenditure under the access arrangement. Meter exchanges initiated by users are paid for by the user through the MSLA fees. Setting the fee below cost will result in a shortfall in revenue for Western Power.

Seeking further information from Western Power

Western Power must provide information and evidence of how its proposed prices for meters, radio frequency communication installations and meter re-configurations will not result in meters being replaced unnecessarily and how the difference between the proposed MSLA fee and actual cost will be funded.

3.6.3.4 *Automatic annual updates*

Western Power has proposed the MSLA fees will be updated automatically each year based on the Wage Price Index published by the Australian Bureau of Statistics.

In its submission, Synergy did not support this approach:

It is not clear how increasing charges automatically by WPI is consistent with seeking to achieve the lowest sustainable costs of providing the relevant metering service as required by clause 6.6(1)(e).

Further by broadly applying the WPI to costs could create an inefficient culture and provide an incentive for a network service provider to not pro-actively seek to achieve the lowest sustainable cost or pass through any achieved cost savings.

Synergy request 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:

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.

Even if the ERA considers WP's proposal to link fee increases to the WPI to be reasonable, Synergy requests the ERA to consider whether the MSLA 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.

The ERA does not consider automatic updates based on the Wage Price Index are consistent with the requirement in clause 6.6(1) that prices do 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.

Although wages are a large component of the cost, they are not the only component. In any case, the Wage Price Index published by the Australian Bureau of Statistics is not a measure of an efficient increase in Western Power's labour costs.

The ERA agrees that periodic updates of the MSLA pricing schedule should be undertaken to ensure prices are current and continue to reflect efficient costs. This would best be achieved by using the pricing parameters approved in Western Power's access arrangement for the period 2017/18 to 2021/22.

The access arrangement pricing parameters include:

- The Consumer Price Index – based on the most recent December quarter compared to the December quarter in the previous year.
- Labour escalation – 0.81 per cent to be applied to labour costs only.
- Productivity improvement – minus one per cent each year.

Required amendment

The annual update of prices must be amended to use the pricing parameters approved in the access arrangement for the period 2017/18 to 2021/22.

3.6.3.5 Cancellation fees

Western Power proposed to introduce cancellation fees as set out on page 69 of the proposed MSLA.

Table 5: Western Power’s proposed cancellation fees

| Point at which order is cancelled | Fee (\$ per unit) |
|--|--|
| “B2B” - following acceptance of Service Order by Western Power but prior to allocation of the Service Order to a delivery resource | 0.60 |
| “In Field” -defined as acceptance of a Service Order by Western Power which Western Power has allocated to a delivery resource | 75% of relevant Extended Metering Service Fee |
| MS-7 De-energise (Manual) ²² | 100% of relevant Extended Metering Service Fee |

Source: *Western Power Model Service Level Agreement, Schedule 5, Table 5, 15 November 2019, p. 69.*

Synergy submitted the cancellation fees must be consistent with the relevant clauses of Appendix A4 in the Metering Code.

As outlined in the regulatory requirements above, the clauses in Appendix A4 of the Metering Code permit the network operator to require the user to pay the amount incurred by the network operator, acting efficiently in accordance with good electricity industry practice, before the work or costs were able to be stopped or cancelled. The network operator must provide evidence to the user of this amount.

Western Power did not provide any information on or evidence of how its proposed cancellation fees meet the Metering Code requirements for cancelled services.

Required amendment

Western Power has not demonstrated that its proposed cancellation fees are consistent with the requirements set out in Appendix 4 of the Metering Code. Western Power must revise the proposed fees and/or provide evidence to demonstrate they are consistent with the requirements of Appendix A4 in the Metering Code.

²² A Service Order for a MS-7 De-energise (Manual) Extended Metering Service is “closed” where Western Power attends site to perform the Extended Metering Service but does not De-energise the Metering Point following receipt of new information from the Customer (or otherwise) and Western Power verifying with the User that the Metering Point can be left energised (which may include following any current operational documentation agreed between the Parties).

3.7 Terms and conditions

Western Power has proposed amendments to the terms and conditions, including definitions. These are discussed below in the order of the current MSLA terms and conditions:

- Clause 1 – Definitions and Interpretation
- Clause 2 - Term
- Clause 3 – Services
- Clause 4.1 – Financial covenants by user
- Clause 4.2 to 4.6 and 5 – Invoicing, payment and GST
- Proposed new clause 6 – Representations and warranties
- Current clause 6 – Force majeure
- Clause 7 – Default
- Clause 8 – Liability and indemnity
- Clause 9 – Dispute resolution
- Clause 10 – Assignments and encumbrances
- Current clause 11 – Miscellaneous
- Proposed new clause 11 – Set off
- Proposed new section – Definitions.

Most of the proposed changes are to bring the document into line with the current electricity transfer access contract approved under the access arrangement.

Users are able to acquire metering services only for connections they hold an access contract for. The ERA considers that harmonising the provisions in the MSLA with the electricity transfer access contract will ensure they work together effectively and ensure compliance with both the Metering Code and Access Code. In some cases, modifications are needed to take account of specific Metering Code requirements.

In its submission, Synergy put forward a view that greater incentives are needed to make Western Power meet its service standards:

The proposed MSLA does not contain any contractual financial incentives or compensation for Users in circumstances where metering services are not provided in accordance with the minimum required service standards specified within the MSLA.

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.

Synergy considers it is reasonable for Users 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 Code objectives as well as the public interest test under s. 26(1) of the ERA Act.

For example, under clause 4.17 and 4.18 of the Code of Conduct 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.

Further, Synergy notes that the ERA approved standard access contract provides for direct damage in relation to contractual default. However, the proposed MSLA is silent on the matter.

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 Code of Conduct and Electricity Industry (Network Quality and Reliability of Supply) Code 2005.

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:

- Loss of revenue from the activities of the user relating to services under the MSLA;
- Costs the user is prevented by the Code of Conduct 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.

The ERA considers that compliance with the Metering Code requires the MSLA to ensure all parties have clarity about their obligations and that Western Power must deliver the services it is required to in line with the service standards.

Western Power's proposed changes and the further amendments the ERA considers necessary will clarify parties' obligations and Western Power's requirements to deliver services in line with service standards or to pay compensation if its failure to deliver services results in users incurring additional costs.

The ERA does not consider a penalty/reward mechanism is consistent with the requirements of the Metering Code.

3.7.1 Definitions and interpretation

The current MSLA includes definitions and interpretations in clause 1. Western Power proposes transferring definitions from clause 1.1 to Schedule 1 – Dictionary. Western Power's proposed changes to definitions are considered at the end of this section.

Western Power proposes retaining current clause 1.2 – Interpretation - but has renumbered it as clause 1.1. It also proposes adding an additional provision:

(g) where information is set out in braces (namely “{“and”}”), whether or not preceded by the expression “Note”, “Outline” or “Example”, the information:

(i) is provided for information only and does not form part of this Agreement; and

(ii) is to be disregarded in interpreting this Agreement; and

(iii) might not reflect amendments to this Agreement or other documents or Laws.

Western Power proposes adding the following new clause about the *Interpretation Act 1984*:

1.2 Interpretation Act applies

Unless the contrary intention is apparent, the rules of interpretation in the Interpretation Act 1984 (WA) apply to the interpretation of this Agreement.

The proposed changes are administrative in nature and bring the MSLA in line with the electricity transfer access contract approved under the access arrangement. The amendments do not materially affect consistency with the Metering Code.

As discussed in Charges for Metering Services, Western Power also proposes adding a new clause about Wage Price Index adjustment:

1.3 WPI adjustment

In this Agreement, “WPI-Adjusted” in reference to an amount means that amount is adjusted under the following formula:

$$N = C \times \left(1 + \frac{WPI_n - WPI_c}{WPI_c}\right)$$

where:

“N” is the new amount being calculated; and

“C” is the current amount being adjusted; and

“WPI_n” is the WPI applicable at the end of the calendar quarter (quarter *n*) most recently ended prior to the current adjustment date; and

“WPI_c” is the value of WPI applicable for the calendar quarter occurring 12 months before the calendar quarter referred to in the definition of WPI_n.

As discussed in Charges for Metering Services, the ERA considers annual price updates should be based on the Consumer Price Index with adjustments for labour cost escalation and productivity improvements consistent with the ERA’s decision on Western Power’s access arrangement for the period 2017/18 to 2021/22. Clause 1.3 will need to be amended to reflect this.

Required amendment

Proposed new clause 1.3 must be amended to use the Consumer Price Index with adjustments for labour cost escalation and productivity improvements.

3.7.2 Term

The current MSLA includes provisions on term in clause 2. Western Power proposes amending the clause as follows:

2. ~~Term~~ Duration

2.1 Term

~~The This term of this Agreement commences on the Commencement Date ~~date of execution of this Agreement~~ and continues until this Agreement is terminated, in accordance with this Agreement.~~

2.2 Termination

This Agreement will only terminate if and when the User’s access contract terminates but such termination is without prejudice to any rights, remedies, powers, obligations or liabilities of a Party in respect of this Agreement which arose prior to the date of termination.

Western Power proposes the following definition for “Commencement Date”:

Means the date of execution of this Agreement or the date this Agreement is deemed to commence by operation of clause 5.2 of the Code (as applicable).

The proposed changes are administrative in nature and bring the MSLA in line with the electricity transfer access contract approved under the access arrangement. The amendments do not materially affect compliance with the Metering Code.

3.7.3 Services

The current MSLA includes provisions on services in clause 3. Western Power proposes amending the clause as follows:

3. Services

3.1 Metering Services

During the Term:

- (a) Western Power must provide the Metering Services comprised in Reference Services (Metering), in accordance with the Code or as requested by the User under a ~~valid-service request~~ Service Order;
- (b) the User must pay for Extended Metering Services provided by Western Power pursuant to a ~~valid-service request~~ Service Order submitted by the User; and
- (c) the User may use the Metering Services,
on the terms and conditions set out in this agreement.

3.2 Service Standards

- (a) Western Power must provide the metering services to the user in accordance with the Service Standards.
- (b) Western Power is not in breach of this Agreement or the Service Standards if it is not (acting reasonably) able to provide a Metering Service:
 - (i) because appropriate access to a property is not provided to it;
 - (ii) because it or its employees or agents have a legitimate concern about their ability to safely access a property (including due to risk of attack by animals, threats of violence or unsafe conditions at the property); or
 - (iii) due to other impediments beyond Western Power’s reasonable control and which Western Power cannot, acting reasonably, overcome.

3.3 Request for Metering Services

The user may request the provision of Metering Services ~~new or additional metering services, or the cancellation of metering services, which are being provided by Western Power~~ under this Agreement by submitting to Western Power a ~~service request~~ Service Order in accordance with the Code and the communication rules. ~~Detail in relation to the transactions, processes and procedures will be provided in the build pack.~~

3.4 Requirement for Access Contract

The user may only request metering services for a Meter ~~metering point~~ for which the User has agreed an access contract with Western Power for the ~~associated~~ Connection Point.

Synergy considers clause 3.1(b) could require a user to pay for a metering service before the service is completed:

Clause 3.1(b) of the MSLA contemplate[s] that a User has an obligation to pay for the metering services 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 Code objectives or the public interest test specified in s. 26(1) of the ERA Act.

The MSLA needs to be clear that there is no obligation to pay for metering services if Users do not receive all necessary information to reconcile the type of metering service that has been requested and the applicable charges under the MSLA.

Synergy submits clause 3.1(b) should be amended as follows:

- 3.1(b) [Except in the circumstances specified in Schedule 5 in respect of “Cancellation Fees” and “Fees for Extended Metering Services where no site access”](#), the User must pay for Extended Metering Services only when [completed](#) by Western Power pursuant to a Service Order submitted by the User; and ...

Western Power’s proposed amendments to clause 3.1(b) do not substantively change the current clause. The clause refers to the user being required to pay for services provided by Western Power, indicating payment is only required if the service has been provided. Invoicing and payment terms are set out in clause 5.

Western Power’s proposed amendments to clause 3.2(b) add parameters for determining when Western Power is not in breach of providing services. The ERA considers the proposed parameters lack clarity about what constitutes, and who determines, “appropriate access”, “legitimate concerns” and “other impediments”. Consistency with the Metering Code requires these matters to be clearly defined so parties understand their respective obligations and there is no dispute about whether Western Power should have delivered the service or not.

Required amendment

The proposed parameters in clause 3.2(2) must be clearly defined so parties understand their respective obligations and there is no dispute about whether Western Power should have delivered the service or not.

3.7.4 Financial covenants by user

The current MSLA includes provisions on financial covenants by users in clause 4. Western Power proposes amending the clause as follows:

4. FINANCIAL COVENANTS BY USER

4.1 Metering Services Charges

- (a) The User agrees to pay Western Power the Fees for the Extended Metering Services provided under this agreement.
- (b) For the avoidance of doubt, [for Reference Services \(Metering\) a Reference Tariff is payable by the User under the User’s Access Contract, and such Reference Tariffs must be paid by the User in accordance with the terms of the User’s](#) ~~the charges for the provision of standard metering services is included in the tariffs for covered services, payable by the user under the~~ Access Contract.
- (c) If the User requests the following Extended Metering Services and the test reveals that the Meter that was the subject of the test does not comply with the requirements of the Code, ~~such that it results in energy data errors being recorded in Western Power’s favour~~, the user is not liable to pay any ~~charges~~ [Fees](#) applicable to those Extended Metering Services:
 - (i) Meter Test – Laboratory (single phase)
 - (ii) Meter Test – Laboratory (three phase)

- (iii) Meter Test – On Site (single phase)
- (iv) Meter Test – On Site (three phase); or
- (v) Meter Test – On Site (CT Metering).

Furthermore, the User is not liable for any costs associated with any necessary repairs to the Metering Installation.

- (d) Where a User requests a Reference Service (Metering), which requires the provision of one or more Extended Metering Services to satisfy the eligibility criteria, Western Power will provide the Extended Metering Service and the User will pay the fees set out in Schedule 5 for that Service in addition to any Reference Tariff payable.
- (e) Where a Meter already has an activated communications link, the Fee for the Communications Link Installation Metering Service (MS-11) is not payable by the User.

“Activated communications link” is defined as “a telecommunications network connection with a meter, with capability for two-way communication between the meter and Western Power’s metering management systems operating and able to be used to support remote services at the metering point.”

The proposed changes:

- Clarify which services are payable under the user’s access contract and that any extended metering services required to obtain a metering service under the access arrangement will be required to pay the MSLA fee.
- Ensure users are not liable for meter test fees if the meter is found to be non-compliant.
- Ensure users do not pay a fee to activate a communications link if it is already activated.

The ERA considers the proposed changes clarify the MSLA fees and are consistent with the Metering Code obligations.

3.7.5 *Invoicing, payment and GST*

Western Power proposes amending and moving the current MSLA invoicing and payment provisions set out in clause 4.2 to 4.6 to clause 5. Clause 5 in the current MSLA includes Goods and Services Tax (GST) provisions. Western Power proposes retaining the GST provisions in the proposed clause 5 with some amendments. The proposed amendments are shown below:

4.2 5.1 Invoices

Western Power must, within 10 Business Days after the end of an Accounting Period, issue to the User a Tax Invoice for that the Accounting Period showing:

- (a) all amounts payable by the User to Western Power under this Agreement for the Accounting Period; and
- (b) all outstanding amounts as at the end of the Accounting Period and interest payable on those amounts; and;
- (c) ~~any~~ GST payable ~~to Western Power~~ on those amounts under Clause 5.6 ~~of this Agreement.~~

4.3 5.2 Payment of invoices

- (a) Subject to clause 5.3, ~~T~~the user must, on or before the Due Date of the Tax Invoice, pay to Western Power all amounts shown on the Tax Invoice which are payable under this Agreement.

4.4 Failure to Pay

- (b) If the User fails to comply with Clause ~~4.4~~ 5.2(a), then without prejudice to Western Power's other rights, the User must pay interest on any unpaid amount calculated daily at the Prescribed Rate from the Due Date of the Tax Invoice until payment.

4.5 5.3 Disputed Invoices

- (a) If the User Disputes any amount set out in a Tax Invoice issued under Clause ~~4~~ 5.1, then the User must pay the Undisputed Portion (if any), and must, prior to the Due Date of the Tax Invoice, give notice to Western Power that it Disputes the amount and provide in that notice full details of the Dispute. Provided the User has complied with the foregoing requirements, it may withhold payment of the disputed portion of the Tax Invoice until the Dispute is resolved.
- (b) Without prejudice to Western Power's other rights, aAny amount withheld by the User under Clause ~~4.6~~ 5.3(a) but subsequently found to have been payable, ~~without prejudice to Western Power's other rights,~~ attracts interest calculated daily at the Prescribed Rate from the Due Date of the Tax Invoice until payment.
- (c) Without prejudice to Western Power's other rights, aAny amount paid by the User under Clause ~~4.6~~ 5.3(a) but subsequently found not to have been payable, ~~without prejudice to the user's other rights,~~ attracts interest calculated daily at the Prescribed Rate from the date the User paid the amount to the date Western Power repays the amount ~~to the user.~~

4.6 5.4 Under and Over Payments

- (a) If a Party detects a Payment Error by a Party of any amount within 18 calendar months after the Payment Error:
- (i) the Party must as soon as reasonably practicable give ~~written~~ notice to the other Party of the Payment Error; and
 - (ii) an adjusting payment must be made by the appropriate Party within ~~10~~ 15 Business Days of that notice.
- (b) Except where ~~Subject to~~ Clause ~~4.7~~ 5.4(c) applies, the adjusting payment must, without prejudice to the Party's other rights, include interest calculated daily at the prescribed rate from the date of the Payment Error until the date of the adjusting payment.
- (c) An adjusting payment by a Party will not attract interest under Clause ~~4.7~~ 5.4(b) if it is made in relation to an underpayment and the underpayment was the result of an error by the other Party.
- (d) A Party is not entitled to an adjusting payment for a Payment Error notified to the other Party after the expiry of 18 calendar months after the Payment Error.
- (e) Where a Payment Error is an error as a result of which the amount set out in a Tax Invoice is less than what it would have been had the error not been made, the Payment Error will be taken to have occurred on the Due Date of the Tax Invoice.
- (f) Where a Payment Error is an error as a result of which the amount set out in a Tax Invoice is more than what it would have been had the error not been made, the Payment Error will be taken to have occurred on the date the User has paid the total amount of the Tax Invoice in full.

5.5 Default in payment

If the User Defaults in due and punctual payment of a Tax Invoice, clause 9(a) applies.

5.6 GST

- (a) Unless expressly included otherwise stated, ~~all amounts payable or the value of other~~ the consideration for any supply under or in connection with provided in respect of the supplies made under this Agreement (including any Fees) is are exclusive of GST exclusive.
- (b) To the extent that any supply made under or in connection with this Agreement is a taxable supply, and the price for it (including any Fees) is stated to be GST exclusive, the consideration for that supply is increased by an amount determined by the supplier, not exceeding the amount of the consideration (or its market value) multiplied by the rate at which GST is imposed in respect of the supply. ~~the Party receiving the supply must pay an additional amount equal to the GST rate applying to the taxable supply multiplied by the sum of:~~
- i.) ~~any monetary consideration for the supply; and~~
- ii.) ~~the GST exclusive market value of any non-monetary consideration for the supply~~
- (c) Without limiting the obligation to provide a Tax Invoice under clauses 5.1, the supplier must issue a Tax Invoice to the recipient of a supply to which clause 5.6(b) applies before the payment of the GST inclusive consideration determined under that clause. ~~Any additional amount payable as a result of the operation of paragraph (b) of this clause must be paid in Australian Dollars at the same time as the:~~
- i.) ~~Payment of any monetary consideration; or~~
- ii.) ~~Provision of any non-monetary consideration~~
- d) If a Party is entitled under this Agreement to be reimbursed or indemnified by another Party for a cost or expense incurred in connection with this Agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense for which an input tax credit may be claimed by the Party entitled to be reimbursed or indemnified, or by its representative member. ~~Where any amount is payable to a Party as a reimbursement, indemnification or similar payment calculated by reference to a loss, cost, expense or any other amount incurred by that Party, then such amount shall be reduced by any part of that loss, cost, expense or other amount which is attributable to GST for which that Party, or the representative member of any GST group of which that Party is a member, is entitled to an input tax credit.~~
- ~~e) Where in relation to this agreement a Party makes a taxable supply, that Party shall provide a Tax Invoice in respect of that supply at or before the time that the payment of GST is required under paragraphs (b) and (c) of this Clause.~~
- f) If a Party becomes aware of an adjustment event, that Party agrees to notify the other Party as soon as practicable after becoming so aware, and the Parties agree to take whatever steps are necessary, including the issue of an adjustment note, and to make whatever adjustments are required, to ensure that any GST or additional GST on that supply or any refund of any GST (or part thereof) is paid as soon as is practicable but no later than 14 10 Business days after the Party Supplier has satisfied itself that the adjustment event has occurred.
- g) Definitions in the GST Act apply also in this clause 5.6 unless the context indicates otherwise. ~~Terms defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth) have the same meaning when used in this Clause.~~

The proposed amendments generally bring these clauses into line with similar clauses in the electricity transfer access contract approved under the access arrangement.

However, Western Power proposes amending the definition of “business day” from “means a day that is not a Saturday, Sunday or public holiday throughout Western Australia” to “means a day that is not a Saturday, Sunday or public holiday in Perth, Western Australia”.

The proposed amendment would result in the definition being inconsistent with the Metering Code and the electricity transfer access contract. The ERA is not aware of any public holidays that don’t apply throughout the state but, if there were to be, it may result in operational difficulties if the definition is inconsistent with the Metering Code. Other than the definition of business day, the ERA considers the proposed amendments provide additional clarity, are administrative in nature and do not materially affect consistency with the Metering Code.

3.7.6 Representations and warranties

Western Power has introduced a new clause 6 on representations and warranties:

6. Representations and warranties

6.1 The User’s representations and warranties

- (a) The User represents and warrants to Western Power that:
 - (i) the User’s obligations under this Agreement are valid and binding and are enforceable against the User under their terms; and
 - (ii) this Agreement and any other transaction under it does not contravene the User’s constituent documents or any Law or any of the User’s obligations or undertakings by which the User or any of the User’s assets are bound or cause to be exceeded any limitation on the User’s or the User’s directors’ powers; and
 - (iii) neither the User nor any of its related bodies corporate have immunity from the jurisdiction of a court or from legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise).
- (b) The representations and warranties in clause 6.1(a) are to be taken to be made on each day on which:
 - (i) this Agreement is in effect; or
 - (ii) any amount payable by the User to Western Power under this Agreement is or may be outstanding.
- (c) To the maximum extent permitted by Law, the only warranties given by and terms which apply to the User under this Agreement are those expressly contained in this Agreement, and all warranties and terms implied by Law, including those on the part of the User implied by the *Competition and Consumer Act 2010 (Cth)* or the *Fair Trading Act 2010 (WA)* or any other Law to similar effect do not apply to this Agreement.
- (d) If at Law the exclusion of any warranty or term is prohibited, then the User’s liability in respect of a breach of such warranty or term is limited to the maximum extent permitted by Law. For example, where any Law permits the User to limit its liability in respect of a breach of an implied warranty or condition to the replacement or resupply of equivalent goods and services, then the User’s liability will be so limited.

6.2 Western Power’s representations and warranties

- (a) Western Power represents and warrants to the User that:
 - (i) Western Power’s obligations under this Agreement are valid and binding and are enforceable against Western Power under their terms; and

- (ii) this Agreement and any other transaction under it does not contravene Western Power’s constituent documents or any Law or any of Western Power’s obligations or undertakings by which Western Power or any of Western Power’s assets are bound or cause to be exceeded any limitation on Western Power’s or Western Power’s directors’ powers; and
- (iii) neither Western Power nor any of its related bodies corporate have immunity from the jurisdiction of a court or from legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise).
- (b) The representations and warranties in clause 6.2(a) are to be taken to be made on each day on which:
 - (i) this Agreement is in effect; or
 - (ii) any amount payable by Western Power to the User under this Agreement is or may be outstanding.
- (c) To the maximum extent permitted by Law, the only warranties given by and terms which apply to Western Power under this Agreement are those expressly contained in this Agreement, and all warranties and terms implied by Law, including those on the part of Western Power implied by the *Competition and Consumer Act 2010 (Cth)* or the *Fair Trading Act 2010 (WA)* or any other Law to similar effect do not apply to this Agreement.
- (d) If at Law the exclusion of any warranty or term is prohibited, then Western Power’s liability in respect of a breach of such warranty or term is limited to the maximum extent permitted by Law. For example, where any Law permits Western Power to limit its liability in respect of a breach of an implied warranty or condition to the replacement or resupply of equivalent goods and services, then Western Power’s liability will be so limited.

The proposed new clauses are taken from the representations and warranties included in the electricity transfer contract. They state clearly that Western Power’s and users’ obligations under the agreement are valid and binding and are enforceable under the terms of the agreement. The proposed amendments do not materially affect consistency with the Metering Code.

3.7.7 Force majeure

The current force majeure provisions are set out in clause 6. Western Power proposes amending the current clause and moving it to clause 8.

6 8. FORCE MAJEURE

8.1 Affected Person’s obligations are suspended

~~—a)~~ If a Party (“Affected Party”) is unable wholly or in part to perform any obligation (“Affected Obligation”) under this Agreement (other than an obligation to pay money) because of the occurrence of a Force Majeure Event, then, subject to this clause 8.1, the Affected Person’s obligation to perform the Affected Obligation is suspended ~~affected party is released from liability for failing to perform the affected obligation~~ to the extent that, and for so long as, the Affected ~~party’s~~ Person’s ability to perform the Affected Obligation is affected by the Force Majeure Event (such period being the “FM Period”).

8.2 Affected Person’s obligations

~~—b)~~ Subject to clauses 8.3 and 8.5, ~~if~~ a Force Majeure Event occurs and the Affected Person ~~party~~ is unable wholly or in part to perform any obligation under this Agreement, then the Affected ~~party~~ Person must:

- ia) ~~promptly~~ promptly notify the other party if the FM Period continues for a period of two days or longer ~~of the occurrence of the force majeure event;~~ and

- ~~ii~~b) use reasonable endeavours (including incurring any reasonable expenditure of funds and rescheduling personnel and resources) to
- (i) mitigate the consequences of the Force Majeure Event; and
 - (ii) minimise any resulting delay in the performance of the Affected Obligation.

8.3 In case of breach

An Affected Person is not obliged to incur an 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 by the other Party.

8.4 Failure to minimise delays

e) If ~~the~~ an Affected ~~party~~ Person fails to comply with Clause 8.2(b)(ii) ~~6(b)~~, then the only consequence of that failure is that the FM period ~~of suspension of the affected obligation~~ is reduced by the period of any delay in the performance of the Affected Obligation attributable to that failure.

8.5 Settlement of a labour dispute

e) The settlement of a labour dispute which constitutes a Force Majeure Event is a matter which is within the absolute discretion of the Affected Person.

Western Power proposes amending the definition of force majeure from “as defined in the *access contract*” to:

Has the meaning given to it in the User’s Access Contract, however if the term is not defined in the User’s Access Contract, then the term will have the following meaning:

in respect of a Party, means an event or circumstance beyond the Party’s control, and which the Party, acting as a Reasonable and Prudent Person, is not able to prevent or overcome, including (where the foregoing conditions are satisfied):

- (a) any act of God, lightning, earthquake, storm, fire, flood, subsidence, land slide, mud slide, wash-out, explosion or natural disaster; or
- (b) any insurrection, revolution or civil disorder, terrorism, act of public enemies, malicious damage, sabotage, vandalism, war (whether declared or undeclared) or a military operation, blockade or riot; or
- (c) any determination, award or order of any court or tribunal, or any regulatory authority or the award of any arbitrator arising after the Commencement Date; or
- (d) any act or omission of government or any government or regulatory department, body, instrumentality, ministry, agency, fire brigade or any other authority other than a Party (including restraint, expropriation, prohibition, intervention, direction or embargo); or
- (e) any inability or delay in obtaining any governmental, quasi-governmental or regulatory approval, consent, permit, licence or any other authority other than a Party; or
- (f) any industrial disputes of any kind, strike, lock-out, ban, limitation or other industrial disturbances; or
- (g) any significant plant or equipment failure which could not have been avoided by the exercise of Good Electricity Industry Practice; or
- (h) any act or omission of any person (other than a Party) with Facilities and Equipment connected to the Network which prevents the Party’s ability to perform its obligations under this Agreement; or
- (i) any application of any law of the Commonwealth, any Commonwealth authority, the State, any State authority or any local government; or
- (j) accidents, weather and acts of third parties (such as Generators or Consumers) that affect the quality, frequency and continuity of the supply of electricity.

Synergy raised concerns about the force majeure provisions:

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.

Synergy recommended the following amendment:

8.2 Affected Person’s obligations

Subject to clauses 8.3 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:

- (a) [Notify the other person immediately on becoming aware of a 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](#)
- (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 any reasonable expenditure of funds and rescheduling personnel and resources) to:
 - (i) mitigate the consequences of the Force Majeure Event; and
 - (ii) minimise any resulting delay in the performance of the Affected Obligation.

Synergy also had concerns with clause 8.3:

- 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.

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 Code of Conduct. The Code of Conduct does not provide any dispensation to Users in relation to a Force Majeure Event.

Synergy recommended the following MSLA amendments.

8.3 In case of breach

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 [or the Code](#) by the other Party.

The proposed changes Western Power has made to the force majeure provisions generally bring the MSLA into line with the electricity transfer access contract which will ensure they work together effectively. However, Western Power’s proposed amendments do not include provisions for how quickly force majeure events should be notified. The requirement in the electricity transfer access contract is “as soon as reasonably practicable and in any event within 5 business days of a Party becoming aware an event is or is likely to be a Force Majeure Event.”

Synergy proposes immediate notification of a force majeure event if it is likely to prevent the operation of clause 5.8 of the Metering Code or adversely affects customers using Life Support

Equipment.²³ The ERA agrees that prompt notification is necessary for these circumstances to enable users to take any actions they can to avoid breaches under the Code of Conduct or mitigate the effect on customers using life support equipment. However, immediate notification may not always be possible. The ERA considers “as soon as reasonably practicable” is a better alternative.

For force majeure events that do not prevent the operation of clause 5.8 of the Metering Code or adversely affect customers using life support equipment, the ERA considers the obligations for notifying should be consistent with the electricity transfer access contract.

The ERA considers Synergy’s proposed amendment to clause 8.3 is necessary to ensure breaches of the Metering Code are included.

Required Amendment

Proposed clause 8.2 and 8.3 must be amended as follows:

Subject to clauses 8.3 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:

- (a) notify the other person as soon as reasonably practicable on becoming aware of a 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
- (b) subject to clause 8.2(a) notify the other Party if the FM Period continues for a period of two days or longer as soon as reasonably practicable and in any event within 5 Business Days of a Party becoming aware an event is or is likely to be a Force Majeure Event; and
- (c) use reasonable endeavours (including any reasonable expenditure of funds ...

...

An Affected Person is not obliged to incur any 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 or the Code by the other Party.

3.7.8 Default

The current MSLA includes default provisions in clause 7. Western Power proposed amending the provisions in clause 7 and moving it to proposed clause 9:

7.9 Default

- (a) If the User defaults in the due and punctual payment, at the time and in the manner required for payment by this Agreement, of any amount payable under this Agreement (Default), then Western Power may:

²³ Clause 5.8 states “A *network operator* must in accordance with this *Code* provide a user with whatever information the network operator has, including energy data and standing data, that is necessary to enable the user to comply with its obligations under the Code of Conduct, within the time necessary for the user to comply with the obligations (unless another time is specified in the applicable service level agreement).”

- (i) notify the User of the User's Default and require the user to remedy the User's Default; and
 - (ii) if the User's Default has not been remedied at the end of the 20th Business Day after the notice was given, suspend the provision of the Extended Metering Services.
- (b) If the Extended Metering Services are suspended by Western Power under Clause 7 9(a), Western Power must continue to provide the Standard Metering Services in respect of the Metering Points, which are affected by the suspension.
- (c) For the avoidance of doubt, nothing in clause 9(b) impacts Western Power's right to suspend services under the User's Access Contract, including the Standard Metering Services, in accordance with the terms of the User's Access Contract.
- e d) The exercise of any of the remedies set out in Clause 7 9(a) by Western Power does not prejudice the rights or remedies accrued to Western Power at the date of the User's Default.

Proposed new clause 9(c) provides clarification about the suspension of metering services. The new clause does not materially affect consistency with the Metering Code.

3.7.9 *Liability and indemnity*

The current MSLA includes liability and indemnity in clause 8. Western Power proposes amending the clause and moving it to clause 7:

8 7 LIABILITY AND INDEMNITY

8 7.1 Exclusion of Indirect Damage

~~Neither party will in any circumstances be liable to the other party for Indirect Damage however caused including, without limitation, through breach of contract, in tort (including negligence), in equity, or for breach of statute.~~

- (a) The User is not in any circumstances liable to Western Power for any Indirect Damage suffered by Western Power, however arising.
- (b) Western Power is not in any circumstances liable to the User for any Indirect Damage suffered by the User, however arising.

8 7.2 Limitation of Liability

The maximum liability of one Party to the other Party under and in connection with this Agreement is limited to the amount equal to:

- (a) ~~Western Power to the User under and in connection with this Agreement is limited in accordance with the users access contract ; or~~
- (b) ~~the User to Western Power under and in connection with this Agreement is limited in accordance with the users access contract.~~
- (a) the aggregate monetary limit on that Party's liability under the User's Access Contract applicable to all breaches of, or acts or omissions in connection with, the User's Access Contract ("Access Contract Cap"); less
- (b) the aggregate actual liability incurred by that Party to the other Party under the User's Access Contract, to the intent that each Party's aggregate liability under this Agreement and the User's Access Contract will not exceed the Access Contract Cap applicable to it. If a Party receives an amount of damages under this Agreement which, when aggregated with any amounts it has received under the User's Access Contract, results in the Access Contract Cap being exceeded it must refund the excess amount received over the Access Contract Cap to the other Party.

Payments of charges for services, GST and interest are not taken into account in determining whether the Access Contract Cap has been exceeded.

7.3 Personal Injury

Clauses 7.1 and 7.2 do not apply to personal injury Claims. The liability for any personal injury Claim will be determined under Law.

7.4 Fraud

- (a) If Western Power is fraudulent in respect of its obligations to the User under this Agreement, then Western Power is liable to the User for, and is to indemnify the User against, any damage caused by, consequent upon or arising out of the fraud. In this case, the exclusion of Indirect Damage in clause 7.1 does not apply.
- (b) If the User is fraudulent in respect of its obligations to Western Power under this Agreement, then the User is liable to Western Power for, and is to indemnify Western Power against, any damage caused by, consequent upon or arising out of the fraud. In this case, the exclusion of Indirect Damage in clause 7.1 does not apply.
- (c) A Party must take such action as is reasonably required to mitigate any loss or damage to it for which indemnity may be claimed under this Agreement or otherwise.

7.5 Interaction with ETAC

Nothing in this clause 7 limits the operation of any provision in the User's Access Contract providing that "the exclusion of Indirect Damage does not apply" or words to similar effect.

The term "indirect damage" is not defined in the current MSLA. Western Power proposes including the following definition consistent with the electricity transfer access contract:

Indirect Damage suffered by a person means any one or more of:

- (a) any consequential loss, consequential damage or special damages however caused or suffered by the person, including any:
 - (i) loss of (or loss of anticipated) opportunity, use, production, revenue, income, profits, business and savings; or
 - (ii) loss due to business interruption; or
 - (iii) increased costs; or
 - (iv) punitive or exemplary damages,
- whether or not the consequential loss or damage or special damage was foreseeable; or
- (b) in respect of contractual damages, damages which would fall within the second limb of the rule in Hadley v Baxendale [1854] 9 Exch. 341; or
- (c) any liability of the person to any other person, or any Claim brought against the person by any other person, and the costs and expenses connected with the Claim.

Western Power proposes the following definition for "Claim" consistent with the electricity transfer access contract:

Means any claim, demand, action or proceeding made or instituted against a Party.

In its submission, Synergy raised concerns with the provisions in clause 7.1 for the exclusion of liability for "Indirect Damage ... however arising":

Synergy is concerned that:

- 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.

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.

Further, Synergy requires:

- 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:
 - When WP causes standing data to be incorrect and Synergy suffers a loss where it has relied on standing data 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 standing data requires re-work when incorrect etc.

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 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?

It is unclear why Western Power has not amended proposed clause 7 to be fully consistent with similar clauses in the electricity transfer access contract. The matters raised by Synergy link closely with the views it expressed about making sure there are incentives for Western Power to deliver services in line with the service standards.

The ERA considers clause 7 should be amended to be consistent with the electricity transfer access contract so that Western Power is required to provide financial compensation if its failure to deliver a service in line with the service standards results in the user incurring additional costs.

Required amendment

Proposed clause 7 must be amended to be consistent with provisions in the electricity transfer access contract and ensure that Western Power is required to pay compensation if its failure to deliver a service in line with the service standard results in a user incurring additional costs.

3.7.10 *Dispute resolution*

The current MSLA includes dispute provisions in clause 9. Western Power does not propose amending the current provisions but has moved them to proposed new clause 10:

9 10 Disputes Resolution

9 10.1 Disputes

Any Dispute arising in respect of any matter under or in connection with this Agreement shall be resolved in accordance with the provisions set out in Part 8 of the Code.

9 10.2 Performance to Occur Despite Dispute

The parties shall continue to perform their obligations under this Agreement notwithstanding the existence of a Dispute.

The proposed change is administrative in nature and does not affect the substance of the clause.

The term “dispute” is not defined in the current MSLA. Western Power proposes including the following definition which is consistent with the electricity transfer access contract:

Dispute - Means any dispute or difference concerning:

- (a) construction of; or
- (b) anything contained in or arising out of; or
- (c) rights, obligations, duties or liabilities of a Party under, this Agreement.

However, the Metering Code includes a definition of dispute and the processes that apply for resolving disputes under the Metering Code. The Metering Code definition is:

means any dispute or difference arising in respect of any matter under or in connection with this Code between any Code participants, the subject matter of which is not also an access dispute under the Access Code, a dispute under the market rules, a dispute or a complaint under the Code of Conduct or a dispute under the Customer Transfer Code.

The MSLA should define dispute consistently with the Metering Code.

Required amendment

The definition of “dispute must be amended to be consistent with the Metering Code.

3.7.11 *Assignment and encumbrances*

The current MSLA includes assignment and encumbrances provisions in clause 10. Western Power proposes amending the current provisions and moving them to proposed new clause 12:

40. 12. Assignment and encumbrances

- (a) Subject to clause 12(c), A a User may not encumber, assign, part with possession or create any interest or right in favour of a third party in respect of this Agreement, without the prior written consent of Western Power, which will not be unreasonably withheld.
- (b) Subject to Clause 102(c), Western Power may not encumber, assign, part with possession or create any interest or right in favour of a third party in respect of this agreement, without the prior written consent of the user, which will not be unreasonably withheld.
- (c) If a Party ~~Western Power~~ is restructured in accordance with government policy:
- (i) by law, or
 - (ii) through other means, including the:
 - (A) use of subsidiary or associated companies; or
 - (B) transfer of assets, rights and liabilities.

then the rights and obligations of ~~Western Power~~ a Party under this Agreement are assigned to the appropriate legal entity pursuant to the restructure. A restructure, transfer or assignment under this Clause 40 12(c) does not require the other Party's ~~user's~~ approval or consent.

The proposed changes to 12(c) considerably broaden the scope of this clause. The current clause is very clear it applies only to Western Power and is consistent with similar provisions in the electricity transfer access contract. However, the proposed changes would appear to apply to any user restructured in accordance with government policy. It is unclear why the change has been proposed or its intent. The resultant inconsistency with the electricity transfer access contract could result in administrative difficulties.

Required amendment

The proposed changes to the assignment and encumbrances clause must be amended so that they apply only to Western Power.

3.7.12 Miscellaneous

The current MSLA includes miscellaneous provisions in clause 11. Western Power proposes various amendments to the miscellaneous provisions including re-ordering them and moving them to proposed new clause 13:

44 13. MISCELLANEOUS**13.1 Compliance**

Each Party to this Agreement must comply with all applicable laws.

44.4 13.7 Waiver

A provision of this Agreement may only be waived by a Party ~~Western Power or the user by giving written~~ notice ~~in writing~~ signed by a duly authorised representative to the other Party ~~and not otherwise.~~

44.2 13.8 Entire Agreement

This Agreement constitutes the entire agreement between the parties as to its subject matter and, to the extent permitted by Law, supersedes all previous agreements, arrangements, representations or understandings.

11.3 Application of Laws

~~This Agreement is subject to the metering code. Where any Law, including the Code places obligations on a party in respect of services under this Agreement, the party must comply with those obligations.~~

11.4 13.2 Precedence

Where there is any ambiguity or conflict between the Code and the provisions of this Agreement, the provisions of the Code shall prevail to the extent necessary to resolve that ambiguity or conflict. Where there is any ambiguity or conflict between this Agreement and the Access Contract, the provisions of the Access Contract shall prevail to the extent necessary to resolve that ambiguity or conflict.

13.3 Variation

A purported agreement between Western Power and the User to revoke, substitute or amend any provision of this Agreement has no effect unless it is in writing.

13.4 No third-party benefit

This Agreement does not confer any right or benefit on a person other than the User and Western Power, despite the person being named or identified, or belonging to a class of persons named or identified, in this Agreement.

13.6 Costs

Each Party must pay its own costs, charges, expenses, disbursements or fees in relation to:

- (a) the negotiation, preparation, execution, performance, amendment or registration of, or any notice given or made; and
- (b) the performance of any action by that Party in compliance with any liability arising, under this Agreement, or any agreement or document executed or effected under this Agreement, unless this Agreement provides otherwise.

11.5 13.9 Severance

If the whole or any part of ~~provision~~ of this Agreement is void, unenforceable or illegal in a jurisdiction, it is severed for that jurisdiction. The remainder of this Agreement has full force and effect and the validity or enforceability of ~~the that~~ provision in any other jurisdiction, is not affected. This clause 13.9 has no effect if the severance alters the basic nature of this Agreement or is contrary to public policy.

11.6 13.14 Governing Law

- (a) This Agreement and the transactions contemplated by this Agreement are governed by the law in force in Western Australia.
- (b) Without limiting Clause ~~11.6(a)~~ 13.14(a), each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the Courts of Western Australia and the Courts of Appeal from them for the purpose of determining any Dispute concerning this Agreement or the transactions contemplated by this Agreement.

11.7 Notices

- ~~a) A notice, approval, consent or other communication in connection with this Agreement:~~
 - ~~i) must where possible be in writing, but may in the case of an emergency in the opinion of Western Power, be given by telephone to an authorised officer of the user specified in Item 2 of Schedule 1 or such other persons, as the user may notify Western Power in writing, to be authorised officers for the purposes of this Agreement;~~
 - ~~ii) in the case of written communication, it must be marked to the attention of the person specified in Item 1 of Schedule 1; and~~

- ~~iii) — must be left at the address of the addressee or sent by pre-paid ordinary post (airmail if posted to or from a place outside Australia) to the address of the addressee or sent by facsimile to the facsimile number of the addressee which is specified in Item 1 of Schedule 1 or if the addressee notifies another address or facsimile number, then to that address or facsimile number.~~
- ~~b) — A notice, approval, consent or other communication takes effect from the time it is received unless a later time is specified in it.~~
- ~~c) — In case of a notice given by email, it is deemed to be duly given by the sender and received by or served on the addressee upon confirmation of receipt being provided by the recipient. A reply that is automatically generated by the recipient's email system does not constitute confirmation of receipt by the recipient.~~
- ~~d) — A letter or facsimile is taken to be received:

 - ~~i) — in the case of a posted letter, on the third (seventh if posted to or from a place outside Australia) day after posting; and~~
 - ~~ii) — in the case of a facsimile, on production of a transmission report by the machine from which the facsimile was sent, which indicates the facsimile was sent in its entirety to the facsimile number of the recipient.~~~~

13.10 Counterpart execution

- (a) This Agreement may be signed in any number of counterparts and all such signed counterparts, taken together, shall be deemed to constitute one and the same instrument even though all Parties may not have signed each separate counterpart.
- (b) Where it has been signed in counterparts, the date of this Agreement shall be taken to be the day on which the last of the Parties to give such notice gives notice in writing or by fax or electronic mail to the other Parties that it has signed a counterpart, such notice being accompanied by a copy, or a printable Electronic image, of the whole of that counterpart.

13.11 Further Assurance

Each party agrees, at its own expense, on the request of another party, to do everything reasonably necessary to give effect to this Agreement and the transactions contemplated by it, including, but not limited to, the execution of documents.

13.12 Merger

The warranties, undertakings and indemnities in this Agreement do not merge on termination of this Agreement.

13.13 Remedies

The rights, powers and remedies provided in this Agreement are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this Agreement.

~~11.9 — Set Off~~ [See proposed new clauses 11.1 and 11.2 below]

~~Western Power may set off any amount owing to it under this Agreement by the user against any amount payable by Western Power to the user under this Agreement.~~

13.5 Stamp Duty

The User ~~shall be~~ is liable for and ~~must pay all stamp duties that are~~ any duty that is assessed on this Agreement under the Duties Act 2008 (WA). If it is dutiable, the User must produce this Agreement to the Office of State Revenue for assessment.

The proposed changes are administrative in nature and bring the MSLA provisions into line with the electricity transfer access contract. The amendments do not affect consistency with the Metering Code.

Synergy raised concerns about clause 13.8:

The potential effect of clause 13.8 of the MSLA 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 MSLA. 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.

For example, Synergy has other service level agreements 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.

Synergy recommends the following amendments to clause 13.8:

~~"This Agreement constitutes the entire agreement between the Parties as to its subject matter and, to the extent permitted by Law, supersedes all previous agreements, arrangements, representations or understandings.~~ supersedes all previous model service level agreements in effect under the Metering Code."

The ERA considers Synergy's proposed amendment would clarify that the updated MSLA supersedes previous versions of the MSLA and does not affect any agreements users have with Western Power.

Required amendment

Clause 13.8 must be amended as follows:

This Agreement constitutes the entire agreement between the Parties as to its subject matter and, to the extent permitted by Law, supersedes all previous agreements, arrangements, representations or understandings model service level agreements in effect under the Metering Code.

3.7.13 Set off

As noted above, the current MSLA includes provisions on set off under miscellaneous in clause 11.9. Western Power proposes amending the provisions and adding new clauses 11.1 and 11.2:

11. Set off

11.91 Party may Set Off payment

~~Western Power may set off any amount owing to it under this Agreement by the user against any amount payable by Western Power to the user under this Agreement.~~

A Party ("First Party") may set off any amount due for payment by it to the other Party under this Agreement against any amount which is due for payment by the other Party to the First Party under this Agreement.

11.2 No other set off permitted

Except as permitted in clause 11.1, no set off is permitted by either Party in connection with this Agreement, whether under this Agreement or otherwise.

The proposed amendment is administrative in nature, consistent with the electricity transfer access contract and does not affect consistency with the Metering Code.

3.7.14 Definitions

Western Power proposes transferring definitions from clause 1.1 to Schedule 1 – Dictionary.

Significant changes to definitions have been discussed above. Minor administrative and consequential changes are set out in the tables below.

Table 6: Revised definitions

| Term | Current definition | Proposed definition |
|----------------------------|---|---|
| Access contract | Means an agreement between Western Power and the user, under which Western Power agrees to provide access services to the user. | Has the meaning given to it in the Code. ²⁴ |
| Build pack | Means a set of documents providing specific detail of communications as defined in Part 4 of the Electricity Industry Metering Code 2005 Communication Rules. | Has the meaning given to it in the Communication Rules- section 4.1. |
| Extended Metering Services | Means those services, set out in Schedule 2, other than the Standard Metering Services and for which the user must pay an additional charge under this Agreement. | Means those Metering Services identified as such in Schedule 2 and described in section 4 of Schedule 3. |
| Metering Service/s | Means the Standard Metering Services or the Extended Metering Services. | Has the meaning given to Metering Service in the Code. ²⁵ |
| Standard Metering Services | Means those services described as “standard” or “default” services in Schedule 2, and the cost of which is included in the tariffs, for covered services contracted between Western Power and the user in an access contract. | Means the default Metering Services applicable as a component of a Reference Service as described in Schedule 2 and in section 2 of Schedule 3. |
| Term | Is defined in Clause 2.1. | Has the meaning given in clause 2.1. |

Table 7: Proposed definitions for currently undefined terms

| Term | Proposed definition |
|--------------------|--|
| Access Arrangement | Means the current ‘access arrangement’ (as defined in the Access Code) approved in respect of the Network under the Access Code. |
| Accumulation Meter | Has the meaning given to it in the Code. |

²⁴ As set out in clause 1.3 of the Metering Code, “means an agreement between a network operator and a person for the person to have “access” (as defined in section 103 of the Act) to “services” (as defined in section 103 of the Act) on a network. The Act defines “access” as “in relation to services, has a meaning corresponding with the meaning that it has when used in that context in the Trade Practices Act 1974 of the Commonwealth” and “services” as (means the conveyance of electricity and other services provided by means of network infrastructure facilities and services ancillary to such services”.

²⁵ The Metering Code definition of metering service is:
“means a service in connection with the measurement of electricity production or consumption, including in connection with:
(a) The provision, installation, operation and maintenance of metering equipment.
(b) The obtaining, provision, storage and processing of data.
(c) Services ancillary to the services listed in (a) and (b) above.”

| Term | Proposed definition |
|------------------------|--|
| Connection point | Has the meaning given to it in the Code. |
| Consumer | Has the meaning given to it in the Access Code. |
| Country | Means an area not defined as Metropolitan. |
| Customer | Means: (a) a “customer” as defined in section 3 of the Act; or (b) a customer of the User who owns, operates or controls Generating Plant. |
| Customer Transfer Code | Means the Electricity Industry (Customer Transfer) Code 2016 (WA). |
| De-energise | Means the removal of the supply voltage from the Meter at the Metering Point. |
| Default | Has the meaning given to it in clause 9(a). |
| Electrical Contractor | Has the meaning given to it in the Electricity (Licensing) Regulations 1991 (WA). |
| Energise | Has the meaning given to it in the Electricity Industry (Obligation to Connect) Regulations 2005 (WA). |
| Energy Data | Has the meaning given to it in the Code. |
| Force majeure event | Means an event of Force Majeure. |
| GST | Means goods and services tax or similar value added tax levied or imposed in Australia on a taxable supply under the GST Act or otherwise. |
| Interval energy data | Has the meaning given to it in the Code. |
| Interval meter | Has the meaning given to it in the Code. |
| Metering installation | Has the meaning given to it in the Code |
| Meter Reading | Means the collection of an Actual Value from a Meter. |
| Meter Reading Schedule | Means a schedule published by Western Power, annually and following amendment in accordance with this Agreement, detailing Meter Reading dates for Meters. |
| Metrology Procedure | Has the meaning given to it in the Code. |
| Metropolitan | Has the meaning given to ‘metropolitan area’ in the Code. |
| Network | Has the meaning given to it in the Access Code. |
| Party | Means Western Power or the User. |
| Parties | Means Western Power and the User. |
| Payment Error | Means: |

| Term | Proposed definition |
|-----------------|---|
| | (a) any underpayment or overpayment by a Party of any amount in respect of a Tax Invoice; or (b) any error in a Tax Invoice (including the omission of amounts from that Tax Invoice, the inclusion of incorrect amounts in that Tax Invoice, calculation errors in the preparation of a Tax invoice or a Tax Invoice being prepared on the basis of data which is later established to have been inaccurate). |
| Read or Reading | Means an attempt to collect an Actual Value from a Meter. |
| Re-energise | Means to restore supply voltage from a Meter at the Metering Point. |
| Registry | Has the meaning given to it in the Code. |
| Self-read | Means a Meter Reading performed by a Customer. |
| Standing data | Has the meaning given to it in the Code. |
| Tax invoice | Has the meaning given to it in the GST Act. |
| User | Has the meaning given to it in the Code. |

Table 8: Terms proposed to be replaced

| Current term | Current definition | Proposed term | Proposed definition |
|-----------------------|--|--------------------|--|
| Metering Code | Means the <i>Electricity Industry Metering Code 2005</i> . | Code | Means the <i>Electricity Industry (Metering) Code 2012 (WA)</i> . |
| Charges | Means the charges that are published by Western Power from time to time as being the charges which apply to the provision of Extended Metering Services and, which have been approved by the Authority in accordance with the Metering Code. The charges applicable as at 1 February 2006 are set out in Schedule 3. | Fees | Means the fees that are published by Western Power from time to time as being the fees which apply to the provision of Additional Metering Services and Extended Metering Services. The Fees applicable are set out in Schedule 5 of this Agreement. |
| Works completion date | Is the date upon which the work associated with a service is complete. | Actual change date | Means the effective date of change recorded in the Registry. |

Table 9: Terms proposed to be added

| Proposed new term | Proposed definition |
|---|--|
| Access Code | Means the Electricity Networks Access Code 2004 (WA). |
| Accessory Metering Services – Reference Services (Metering) | Means those Metering Services requested by a User under this Agreement as set out in section 3 of Schedule 3. |
| Accumulated Energy Data | Has the meaning given to it in the Code. |
| Act | Means the Electricity Industry Act 2004 (WA). |
| Actual value | Has the meaning given to it in the Code. |
| Additional Reference Service (Metering) | Means the Reference Service (Metering) comprised of an Additional Metering Service. |
| Additional Metering Service | Means an alternative to the default scheduled Energy Data provision Standard Metering Service selected by the User and applicable as a component of a Reference Service as described in Schedule 2. |
| B2B | Means business to business. |
| Customer Transfer and Standing Data Procedure | Means the Customer Transfer and Standing Data Procedure defined in the Build Pack published by Western Power from time to time. |
| Current Transformer Metering | Means a Metering Installation which incorporates a transformer/s for the measurement of electricity flow. |
| Facilities and equipment | Has the meaning given to it in the Access Code. |
| Field Completion Date | the date on which the Service requested in a Service Order is completed or attempted at the supply address as reflected in the mandatory “Actual Date and Time” field in B2B Service Order transaction data. |
| Generating plant | Has the meaning given to it in the Access Code. |
| Generator | Has the meaning given to it in the Access Code. |
| GST Act | Means the A New Tax System (Goods and Services Tax) Act 1999 (Cth). |
| Market operator | Means the market operator appointed under Part 9 of the Act. |
| Meter throughput | Means the measurement of electricity consumption or production at a Metering Point, accumulated over a 12 month period, expressed as a measure of energy over time. |
| Non-business day | Means a day that is not a Business Day. |

| Proposed new term | Proposed definition |
|--|--|
| Pre-Payment Meter | Has the meaning given in the Code of Conduct for the Supply of Electricity to Small Use Customers. |
| Price List | Means the 'price list' (as defined in the Access Code) specified in the Access Arrangement. |
| Reading Day Number | Has the meaning given to it in the Code. |
| Reference Service (Metering) | Means one or both of: (a) Reference Service (Metering) (standard metering service); and (b) Additional Reference Service (Metering), as the case requires. |
| Reference Service (Metering) (standard metering service) | Means the Reference Service (Metering) comprised of the default Standard Metering Service applicable as a component of a Reference Service as described in Schedule 2. |
| Reference Tariff | Has the meaning given to it in the Access Code. |
| Relevant metering service | Means the Metering Service provided by Western Power comprised in Reference Services (Metering), in accordance with the Code or as requested by the User in a Service Order. |
| Unmetered Supply | Has the meaning given to it in section 3.9(2) of the Code. |
| WA B2B Procedures: Meter data process | Means the WA B2B Procedures: Meter Data Process defined in the Build Pack published by Western Power from time to time. |
| WA B2B Procedures: Service Order Process | Means the WA B2B Procedures: Service Order Process defined in the Build Pack published by Western Power from time to time. |

Western Power has proposed the following terms should be removed from the list of definitions as they are not used in either the current or proposed MSLA:

- Bulk estimate
- Business indicator rate
- Next scheduled read date.

The proposed changes to definitions are administrative in nature or consequential to other amendments and do not materially affect consistency with the Metering Code.

Western Power has not proposed to change the definition of "Reasonable and Prudent Person":

Reasonable and Prudent Person means a person acting in good faith and, where applicable, in accordance with Good Electricity Industry Practice.

However, Synergy considers the definition should be amended:

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”.

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”.

Synergy requires the following amendment to the definition of “Reasonable and Prudent Person”.

“Reasonable and Prudent Person means a person acting reasonably and in good faith and, ~~where applicable~~, in accordance with Good Electricity Industry Practice.”

The current definition is consistent with the definition in the Access Code and electricity transfer access contract. The ERA considers the current definition adequately defines a reasonable and prudent person.

Appendix 1 Comparison of prices in the current and proposed MSLA

Table 10 Comparison of prices in the current and proposed MSLA

| Current service name | Current classification | Current Price | Proposed service name | Proposed classification | Proposed price Metro/Country |
|--|----------------------------|---|---|---|--|
| Establishment and energisation of a metering connection point | Standard Metering Services | In network tariffs | MS-2: Meter installation and energisation | Reference Service (Metering) (standard metering service) | In network tariffs. |
| Meter upgrade | Standard Metering Services | In network tariffs | MS-6: Meter upgrade/replace (not User requested) | Accessory Metering Services – Reference Services (Metering) | In network tariffs. |
| Meter change: Single phase Three phase Three phase interval Single phase interval | Extended Metering Services | \$115.50 + travel \$205.50 + travel \$704 + travel \$181.50 + travel | MS-9: Meter exchange Single phase WC Three phase WC CT meter | Extended Metering Services | \$64.55/\$137.05 \$64.55/\$137.05 \$64.55/\$137.05 |
| De-energise | Extended Metering Services | 38.50 (plus travel) | MS-7: De-energise manual LV HV | Extended Metering Services | \$53.19/\$116.61 POA |
| Re-energise | Extended Metering Services | 38.50 (plus travel) | MS-8: Re-energise manual LV standard LV urgent HV | Extended Metering Services | \$53.19/\$116.61 \$147.83/\$215.68 POA |
| Meter investigation | Extended Metering Services | \$93.50 | MS-10: Meter investigation | Extended Metering Services | \$178.01/\$257.46 |
| Communications installation: Existing compatible interval meter With interval meter installation | Extended Metering Services | \$858.00 (plus travel) \$715.00 (plus travel) | MS-11: Communications installation Radio frequency Cellular communication | Extended Metering Services | \$64.55/\$137.05 \$324.34/\$396.84 |

| Current service name | Current classification | Current Price | Proposed service name | Proposed classification | Proposed price Metro/Country |
|---|----------------------------|---------------------------------|---|---|--|
| Supply abolishment -residential -commercial | Extended Metering Services | \$275.00 P.O.A. | Discontinued as now Included in the access arrangement as reference service D1. | N/A | N/A |
| | | | MS-1 Scheduled Energy data provision | Reference Service (Metering) (standard metering service) or Additional Reference Service (Metering) | In network tariffs. |
| Scheduled bi-monthly meter reading | Standard Metering Services | In network tariffs | Consolidated in MS-1 Scheduled Energy data provision | As above | As above |
| Scheduled monthly meter reading | Standard Metering Services | In network tariffs | Consolidated in MS-1 Scheduled Energy data provision | As above | As above |
| Non-scheduled special meter reading | Extended Metering Services | \$4.95 metro \$21.45 country | MS-19: Non scheduled special meter reading Accum manual Interval manual Interval remote Accum manual – appointment Interval manual - appointment | Extended Metering Services | \$9.87/\$41.47 \$13.66/\$52.76 \$0.60/\$0.60 \$16.62/\$117.19 \$22.88/\$158.90 |
| Card meter reading | Standard Metering Services | In network tariffs | Discontinued | N/A | N/A |
| Customer meter reading | Standard Metering Services | In network tariffs | Discontinued | N/A | N/A |
| Manually collected energy interval data (monthly) | Standard Metering Services | In network tariffs | Consolidated in MS-1 Scheduled Energy data provision | Reference Service (Metering) (standard metering service) or Additional Reference Service (Metering) | In network tariffs. |
| Remotely collected energy | | In network tariffs | Consolidated in MS-1 Scheduled | As above | As above |

| Current service name | Current classification | Current Price | Proposed service name | Proposed classification | Proposed price Metro/Country |
|---|----------------------------|--------------------|---|---|------------------------------|
| interval data (monthly) | | | Energy data provision | | |
| Remotely collected energy interval data (daily) | Extended Metering Services | \$5.50 | Consolidated in MS-1 Scheduled Energy data provision | As above | As above |
| Historical energy interval data (up to 12 months or part thereof) | Standard Metering Services | In network tariffs | MS-4: Historical energy data provision (up to 24 months) | Accessory Metering Services – Reference Services (Metering) | In network tariffs. |
| Standing data provision | Standard Metering Services | In network tariffs | MS-3: Standing data provision | Accessory Metering Services – Reference Services (Metering) | In network tariffs. |
| Energy interval data produced by survey meter | Extended Metering Services | \$385 + travel | Discontinued | N/A | N/A |
| Additional historical energy interval data (13 to 24 months) | Extended Metering Services | \$49.50 | Included in MS-4: Historical energy data provision (up to 24 months) | N/A | N/A |
| Verify meter data | Extended Metering Services | \$2.75 | MS-18: Verify meter energy data | Extended Metering Services | \$6.51 |
| Enablement of signal capabilities and signal maintenance (charge per day) | Extended Metering Services | \$0.66 cumulative | MS-16: Enablement of signal pulse outputs Note services for signal maintenance have been discontinued. | Extended Metering Services | \$307.50/\$397.67 |
| Upfront cost to retrofit signals (signals not maintained) | | \$0.66 interval | | | |
| Upfront cost to enable signal when meter installed (signals not maintained) | | \$242 + travel | | | |
| Maintenance of signals | | \$165 + travel | | | |
| | | \$93.50/hr | | | |

| Current service name | Current classification | Current Price | Proposed service name | Proposed classification | Proposed price Metro/Country |
|--|----------------------------|----------------------------------|---|---|---|
| Meter test (laboratory) Single phase Three phase | Extended Metering Services | \$297 \$440 | MS-13: Meter test (laboratory) Single phase Three phase | Extended Metering Services | \$453.01/\$559.73 \$563.43/\$681.19 |
| Meter test (on site) Single phase Three phase | Extended Metering Services | \$297 + travel \$473 + travel | MS-14 Meter test (on-site) Single phase Three phase CT | Extended Metering Services | \$340.31/\$435.99 \$465.43/\$572.15 \$549.97/\$662.22 |
| CT meter test | Extended Metering Services | \$280.50 + travel | Included in MS-14: Meter test (on-site) | Extended Metering Services | \$549.97/\$662.22 |
| Meter installation repair (faulty meters) | Standard Metering Service | In network tariffs | MS-5: Meter installation repair | Accessory Metering Services – Reference Services (Metering) | In network tariffs. |
| Meter reconfiguration | Extended Metering Services | \$49.50 | MS-15 Meter re-configuration Manual Remote | Extended Metering Services | \$64.55/\$137.05 \$20.02/\$20.02 |
| | | | MS-12 Communication link de-activation | Extended Metering Services | \$64.55/\$137.05 |
| | | | MS-17 Remove meter | Extended Metering Services | \$127.91/\$204.27 |

Source: Western Power's current and revised MSLA

Appendix 2 Comparison of service standards in the current and proposed MSLA

Table 11 Comparison of service standards in the current and proposed MSLA

| Current service name | Business days | | Proposed service name | Business days | |
|--|---|---|---|---|---|
| | Metro | Country | | Metro | Country |
| Establishment and energisation of a metering connection point | 1-2. By agreement between relevant parties. | 5-6. By agreement between relevant parties. | MS-2: Meter installation and energisation | 1-2. By agreement between relevant parties. 20. Description below. ²⁶ | 5-6. By agreement between relevant parties. 20. Description below. ²⁷ |
| Meter upgrade | 5. By agreement between relevant parties. | 10. By agreement between relevant parties. | MS-6: Meter upgrade/replace (not User requested) | In accordance with the code. | In accordance with the code. |
| Meter change: | 5 | 10 | MS-9: Meter exchange | 10-11 | 10-11 |
| De-energise | 1-2 | 5-6 | MS-7: De-energise manual LV HV | 1-2 | 5-6 |
| Re-energise | 1-2 | 5-6 | MS-8: Re-energise manual LV standard LV urgent HV | 1-2 3 hours ²⁸ 1-2 | 5-6 1 hour 1-2 |
| Meter investigation | 5 | 10 | MS-10: Meter investigation | 10-11 | 10-11 |
| Communications installation: Existing compatible interval meter With interval meter installation | 5 | 10 | MS-11: Communications installation Radio frequency Cellular communication | 10-11 | 10-11 |
| Supply abolishment | 5 | 10 | Included in the access arrangement | NA | NA |

²⁶ In accordance with the *Electricity Industry (Obligation to Connect) Regulations 2005 (WA)*: Attachment or connection (Meter installation) within 20 Business Days and Energise within 1-2 Business Days by agreement between relevant parties for Metropolitan areas.

²⁷ In accordance with the *Electricity Industry (Obligation to Connect) Regulations 2005 (WA)*: Attachment or connection (Meter installation) within 20 Business Days and Energise within 5-6 Business Days by agreement between relevant parties for Country areas.

²⁸ 3 hours in the Perth Metropolitan area and 1 business day in other Metropolitan areas.

| Current service name | Business days | | Proposed service name | Business days | |
|---|---------------------------------------|---------|--|---------------|---------|
| | Metro | Country | | Metro | Country |
| -residential -commercial | | | as reference service D1. | | |
| Scheduled bi-monthly meter reading | 2 | 2 | MS-1 Scheduled Energy data provision | 1-2 | 1-2 |
| Scheduled monthly meter reading | 2 | 2 | MS-1 Scheduled Energy data provision | 1-2 | 1-2 |
| Non-scheduled special meter reading ²⁹ | 3 | 5 | MS-19: Non scheduled special meter reading Accum manual Interval manual Interval remote | 3 | 3 |
| Card meter reading | Description below. ³⁰ | | Discontinued | NA | NA |
| Customer meter reading | Description below. ³¹ | | Discontinued | NA | NA |
| Manually collected energy interval data (monthly) | 2 | 2 | MS-1 Scheduled Energy data provision | 1-2 | 1-2 |
| Remotely collected energy interval data (monthly) | 2 | 2 | MS-1 Scheduled Energy data provision | 1-2 | 1-2 |
| Remotely collected energy interval data (daily) | 2 | 2 | MS-1 Scheduled Energy data provision | 1-2 | 1-2 |
| Historical energy interval data (up to 12 months or part thereof) | 2-6. Description below. ³² | | MS-4: Historical energy data provision (up to 24 months) | 2 | 2 |

²⁹ Calculated based on all forms of this Metering Service being where there is no nomination date, nomination date and appointment date.

³⁰ Card meter reading replaces a physical bi-monthly meter reading. Card meter reads are carried out on a bi-monthly basis. A card will be forwarded to the customer to complete, with instructions. If not returned within 15 business days, an estimate read will be provided. A meter reading will always be provided, substituted and estimated readings will be identified as such in accordance with the metrology procedure.

³¹ Customer meter reading replaces a bi-monthly meter reading. Customer meter reads may be carried out on a monthly or a bi-monthly basis. If a reading is not received within five business days of the scheduled read date an estimate read will be provided. A meter reading will always be provided, substituted and estimated readings will be identified as such in accordance with the metrology procedure.

³² Data will be provided within the following timeframes:
1-5 requests before 3:00pm – 2 business days; 1-5 requests after 3:00pm – 3 business days; 6-10 requests before 3:00pm – 4 business days; 6-10 requests after 3:00 pm – 5 business days; 11-20 requests before 3:00pm – 5 business days; 11-20 requests after 3:00pm – 6 business days.

| Current service name | Business days | | Proposed service name | Business days | |
|--|---------------------------------------|---------|---|---------------|---------|
| | Metro | Country | | Metro | Country |
| Standing data provision | 2-6. Description below. ³³ | | MS-3: Standing data provision ³⁴ Registry updated ³⁵ Standing data published | 2 2 | 2 2 |
| Energy interval data produced by survey meter | Description below. ³⁶ | | Discontinued | NA | NA |
| Additional historical energy interval data (13 to 24 months) | 2-6. Description below. ³⁷ | | Included in MS-4: Historical energy data provision (up to 24 months) | 2 | 21 |
| Verify meter data | 2 | 2 | MS-18: Verify meter energy data | 5 | 5 |
| Enablement of signal capabilities | 5 | 10 | MS-16: Enablement of signal pulse outputs Note services for signal maintenance have been discontinued. | 10-11 | 15-16 |
| Meter test (laboratory) | 7 | 19 | MS-13: Meter test (laboratory) Single phase Three phase | 15-16 | 18-19 |
| Meter test (on site) | 5 | 10 | MS-14 Meter test (on-site) Single phase Three phase CT | 10-11 | 18-19 |

³³ The following timings will apply:

1-5 requests before 3:00pm – 2 business days; 1-5 requests after 3:00pm – 3 business days; 6-10 requests before 3:00pm – 4 business days; 6-10 requests after 3:00 pm – 5 business days; 11-20 requests before 3:00pm – 5 business days; 11-20 requests after 3:00pm – 6 business days.

Within one business day of the completion of the customer transfer.

Within one business day of the information being updated in the meter registry.

Within one business day of the standing data being created.

Within two business days of the request

³⁴ This Service Standard relates to general Standing Data provision. Bulk Standing Data will be provided in accordance with the Code.

³⁵ Following the Field Completion Date. For MS-2, the Service Standard for updating the Registry is 10 Business Days.

³⁶ Requests will be satisfied within five business days of the completion of the requested survey period for country areas and three business days for metro. Provision of survey meter data for information to determine customers use patterns, possible contestability or for any other purpose

³⁷ The following timings apply:

1-5 requests before 3:00pm – 2 business days; 1-5 requests after 3:00pm – 3 business days; 6-10 requests before 3:00pm – 4 business days; 6-10 requests after 3:00 pm – 5 business days; 11-20 requests before 3:00pm – 5 business days; 11-20 requests after 3:00pm – 6 business days.

| Current service name | Business days | | Proposed service name | Business days | |
|---------------------------|---|---------|--|---------------|---------|
| | Metro | Country | | Metro | Country |
| CT meter test | 5 | 10 | Included in MS-14: Meter test (on-site) | 10-11 | 15-16 |
| Meter installation repair | Decision as to Repair or Replace will be made within one business day of fault detection. Repair times will be as agreed between the network operator, Electrical Contractor and the User. | | MS-5: Meter installation repair | 10-11 | 15-16 |
| Meter reconfiguration | 5 | 10 | MS-15 Meter re-configuration Manual Remote | 5-6 | 10-11 |
| - | - | - | MS-12 Communication link de-activation | 10-11 | 10-11 |
| - | - | - | MS-17 Remove meter | 10-11 | 15-16 |

Source: Western Power's current and revised MSLA

Appendix 3 Comparison of Western Power's proposed Extended Metering Service fees to the National Electricity Market

Figure 1 Comparison of Western Power’s proposed fees to the National Electricity Market

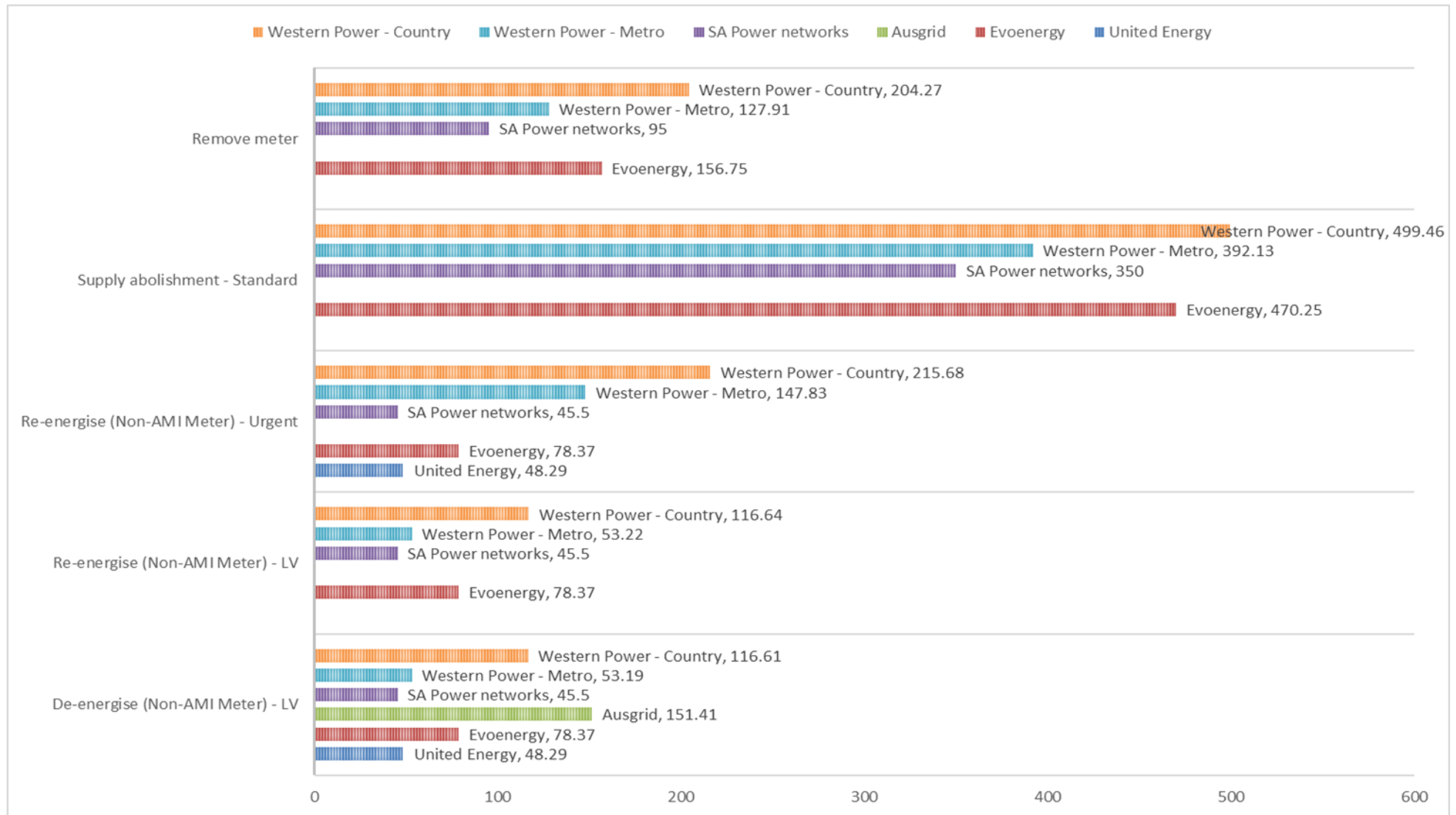


Figure 2 Comparison of Western Power’s proposed fees to the National Electricity Market

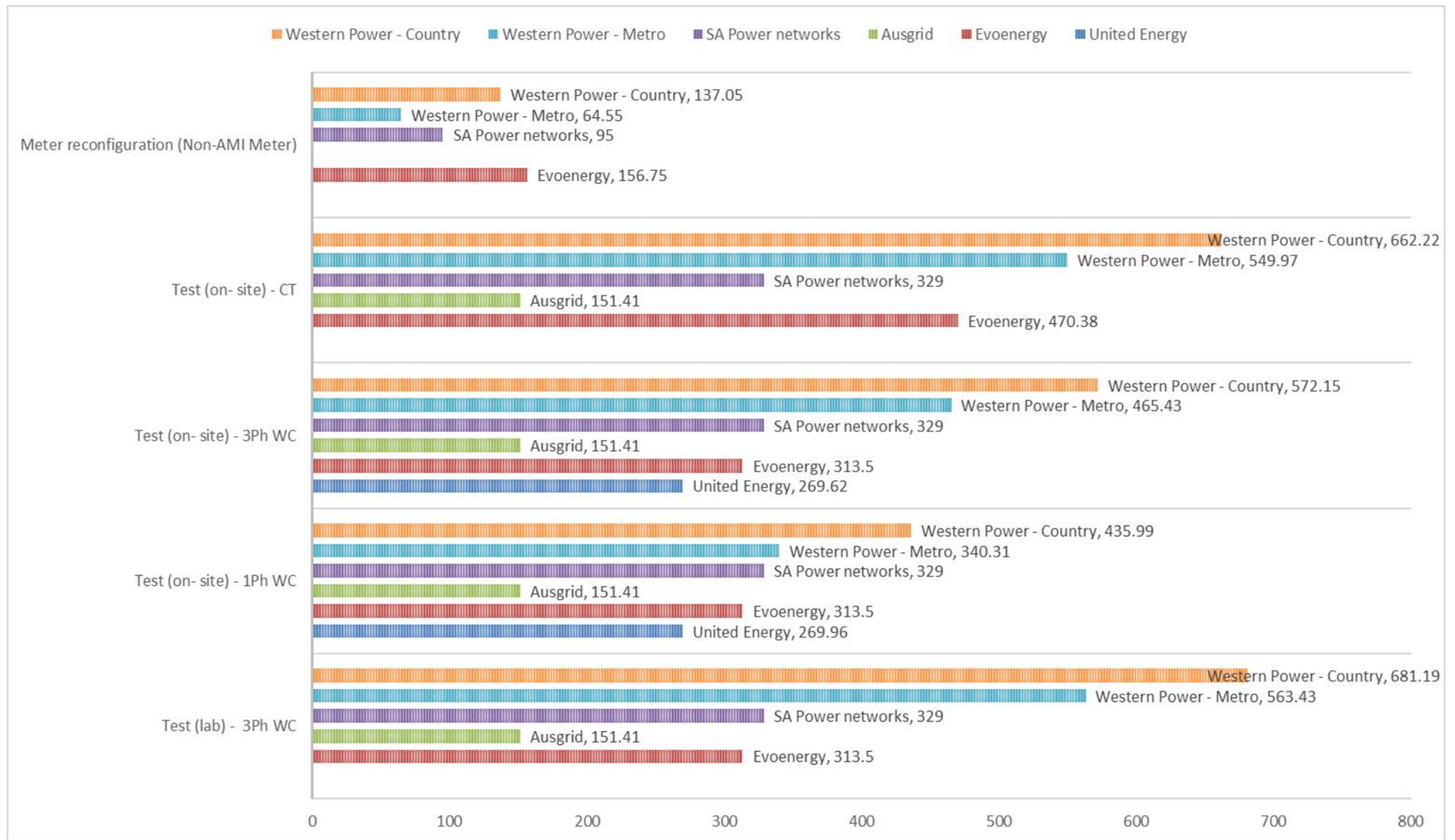


Figure 3 Comparison of Western Power’s proposed fees to the National Electricity Market

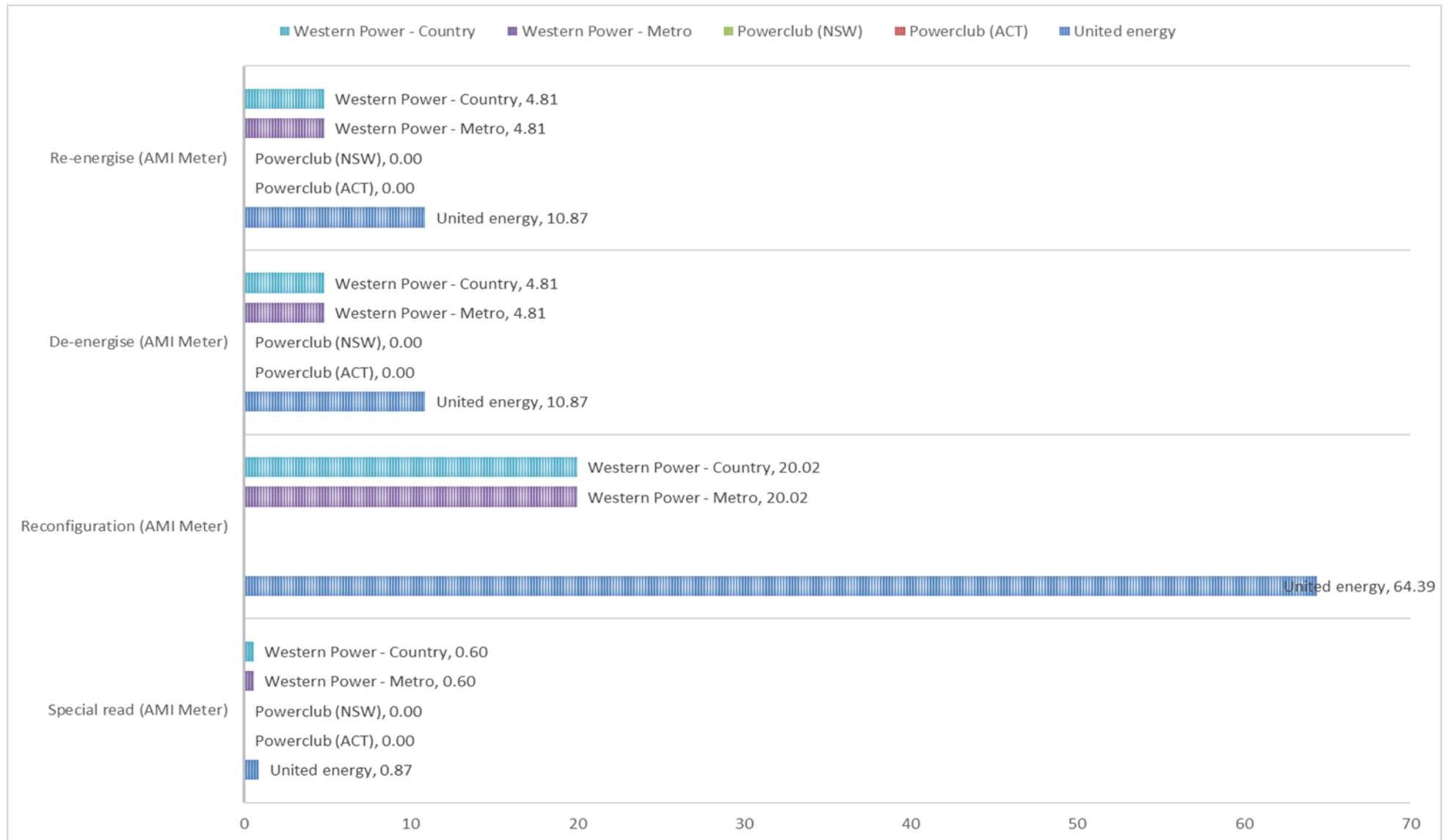
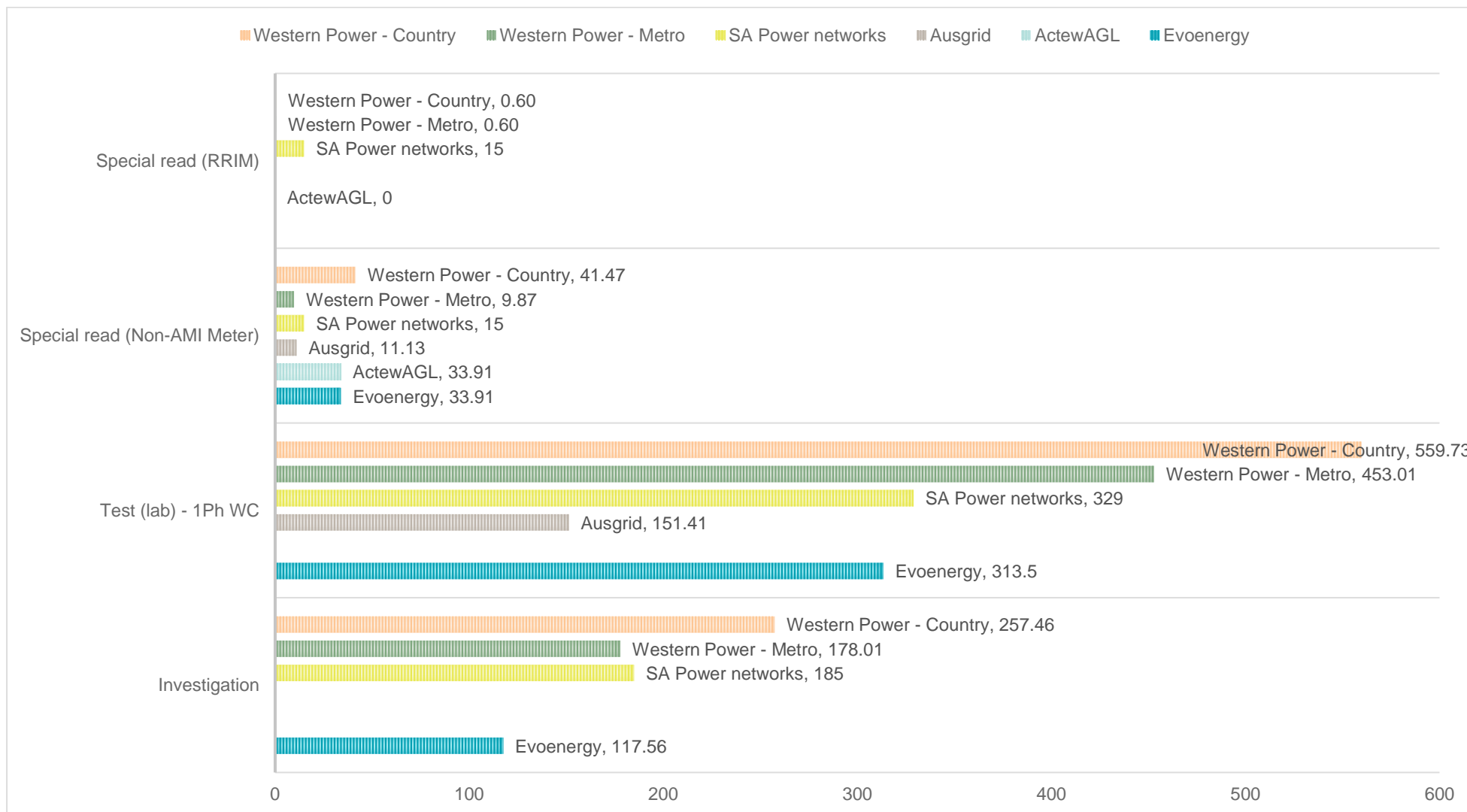


Figure 4 Comparison of Western Power’s proposed fees to the National Electricity Market



Information on the service providers used and not used in the analysis is provided in the table below.

National Electricity Market service provider information

| Service Provider | State | State or privately owned | Description | Used in the analysis? | Why or why not used? |
|------------------|---------|--|---|-----------------------|--|
| ActewAGL | ACT/NSW | Joint venture between the ACT state government and AGL Energy. | Provides utility services in the ACT and south-east NSW. | Yes | Used as service provider offers comparable services to Western Power's proposed services. |
| Evoenergy | ACT | Joint venture between the ACT state government and Jemena Ltd. | Operates an electricity distribution network and a gas distribution network in the ACT. | Yes | Used as service provider offers comparable services to Western Power's proposed services. |
| Citipower | VIC | Privately owned. | CitiPower owns and manages a 157 square kilometre electricity distribution network in Victoria. | No | Not used due to pricing structure differences with Western Power including United Energy being selected as sample service provider from VIC. |
| Powercor | VIC | Privately owned. | Owens and maintains power lines, substations and streetlights in Victoria. | No | Not used due to pricing structure differences with Western Power including United Energy being selected as sample service provider from VIC. |
| Jemena | VIC | Privately owned. | Owens, manages and operates energy infrastructure assets in the eastern states of Australia including Queensland and New South Wales. | No | Not used as United Energy selected as sample service provider from VIC., |
| Ausnet Services | VIC | Privately owned. | Operates electricity networks in Victoria. | No | Not used due to pricing structure differences with Western Power including United Energy being selected as sample |

| Service Provider | State | State or privately owned | Description | Used in the analysis? | Why or why not used? |
|------------------|-------|--|---|-----------------------|---|
| | | | | | service provider from VIC. |
| United Energy | VIC | Privately owned. | Distributes electricity across east and south-east Melbourne and the Mornington Peninsula to more than 640,000 customers, 90% of which are residential | Yes | Used as service provider offers comparable services to Western Power's proposed services. |
| TasNetworks | TAS | State government owned. | Responsible for electricity transmission and distribution throughout Tasmania. | No | Not used due to pricing structure differences with Western Power. |
| Power and Water | NT | State government owned. | Power and Water is the Northern Territory's premier provider of electricity, water and sewerage services | No | Not used due to differences in network structure with Western Power. |
| Ausgrid | NSW | Joint venture between the NSW state government and AustralianSuper. | Electricity distribution company which owns, maintains and operates the electrical networks supplying 1.7 million customers in Sydney, the Central Coast and Hunter regions of NSW. | Yes | Used as service provider offers comparable services to Western Power's proposed services. |
| Endeavour Energy | NSW | Joint venture between the NSW state government and Macquarie infrastructure. | Operator of the electrical distribution network for Greater Western Sydney, the Blue Mountains, the Southern Highlands and the Illawarra region of NSW | No | Not used due to differences in service descriptions with Western Power. |
| Essential Energy | NSW | State government owned. | Looks after the poles and wires that deliver electricity to New South Wales and parts of | No | Not used as Ausgrid selected as sample service provider from NSW. |

| Service Provider | State | State or privately owned | Description | Used in the analysis? | Why or why not used? |
|-------------------|--------|--------------------------|--|-----------------------|---|
| | | | southern Queensland. | | |
| Energex | QLD/SA | State government owned. | Provides distribution services to more than 1.4 million domestic and business connections, delivering electricity to a population base of around 3.4 million people. | No | Not used as service descriptions and permutations do not match Western Power's. |
| Ergon Energy | QLD/SA | State government owned. | Distributes electricity to around 700,000 customers across Queensland, excluding South East Queensland. | No | Not used due to pricing structure differences with Western Power |
| SA Power Networks | SA | Privately owned. | Sole electricity distributor in South Australia operated through a network of about 87,500 kilometres of powerlines, to about 830,000 residential and business customers throughout most of South Australia. | Yes | Used as service provider offers comparable services to Western Power's proposed services. |

Appendix 4 Electricity Industry (Metering) Code 2012 – Clause 5.21

- (1) A Code participant may, subject to clauses 5.21(5) and 5.21(6), in relation to a *metering installation*, request the *network operator*³⁸ to undertake either a test or an audit or both of any one or more of:
 - (a) the accuracy of the *metering installation*; and
 - (b) the energy data from the *metering installation*; and
 - (c) the standing data for the *metering installation*.
- (2) A *network operator*³⁹ must comply with any reasonable request under clause 5.21(1).
- (3) The user may witness the test or audit.
- (4) A test or audit under clause 5.21(1) is to be conducted in accordance with:
 - (a) the *metrology procedure*; and
 - (b) the applicable *service level agreement*.
- (5) A *Code participant* must not request a test or audit under clause 5.21(1) unless:
 - (a) if the *Code participant* is a user — the test or audit relates to a time or times at which the user was the current user; or
 - (b) it is the *IMO*.

{Note: If the *Code participant* seeking the test or audit is a *network operator* or *metering data agent*, the matter will be dealt with by the *metering data agency agreement*.}
- (6) A *Code participant* must not make a request under clause 5.21(1) that is inconsistent with any *access arrangement* or agreement.
- (7) If there is no written *service level agreement* in place between the *network operator*⁴⁰ and the user in respect of the testing of the user's *metering installations* or the auditing of information from the meters associated with the *metering installations* or both, the *network operator*⁴¹ or the *user* may require the other to negotiate and enter into a written *service level agreement* in respect of the testing of the *metering installations*, or the auditing of information from the *meters* associated with the *metering installations*, or both.

{Note: If there is no written *service level agreement*, any *metering services* provided will be governed by an unwritten *service level agreement* under clause 5.2.}
- (8) A *network operator*⁴² may only impose a charge for the testing of the *metering installations*, or auditing of information from the *meters* associated with the *metering installations*, or both, in accordance with the applicable *service level agreement* between it and the user.
- (9) Any written *service level agreement* entered into under clause 5.21(7) must include a provision that *no charge* is to be imposed if the test or audit reveals a non-compliance with this *Code*.
- (10) Any unwritten *service level agreement* in respect of testing of the *metering installations*, or the auditing of information from the *meters* associated with the *metering installations*, or both, includes a provision to the effect described in clause 5.21(9).

³⁸ If clause 5.29(b) applies, read “*network operator*” as “*network operator and metering data agent*”.

³⁹ If clause 5.29(b) applies, read “*network operator*” as “*network operator and metering data agent*”.

⁴⁰ If clause 5.29(b) applies, read “*network operator*” as “*network operator and metering data agent*”.

⁴¹ If clause 5.29(b) applies, read “*network operator*” as “*network operator and metering data agent*”.

⁴² If clause 5.29(b) applies, read “*network operator*” as “*network operator and metering data agent*”.

- (11) If a test or audit shows that the accuracy of the *metering installation* or information from a meter associated with the *metering installation* does not comply with the requirements under this Code, the *network operator*⁴³:
- (a) must advise the affected parties as soon as practicable of the errors detected and the possible duration of the existence of the errors; and
 - (b) must restore the accuracy of the *metering installation* in accordance with the applicable *service level agreement*; and
 - (c) may (acting in accordance with *good electricity industry practice*) make corrections to the energy data, up to a maximum of 12 months before the test or audit, to take account of errors referred to in this clause 5.21(11) and to minimise adjustments to the final settlement account.
- (12) The original stored error correction data in a *meter* must not be altered except during accuracy testing and calibration of a *metering installation*.

⁴³ If clause 5.29(b) applies, read “*network operator*” as “*network operator and metering data agent*”.