

Decision to Approve Proposed Metrology Procedure Pursuant to the Electricity Industry Metering Code 2005

Submitted by Western Power and Horizon Power

15 September 2006

Economic Regulation Authority

 WESTERN AUSTRALIA

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DECISION

1. On 23 June 2006, Western Power and Horizon Power submitted to the Authority a proposed metrology procedure pursuant to clause 6.2 of the *Electricity Industry Metering Code 2005* (**Metering Code**).
2. Following further consultation with Metering Code participants, Western Power and Horizon Power submitted a revised proposed metrology procedure to the Authority which incorporated a number of amendments.
3. Pursuant to clause 6.13(1)(a) of the Metering Code the Authority is satisfied that the network operator has complied with clauses 6.5, 6.8 and 6.11 of the Metering Code.
4. Accordingly, the Authority has decided to approve the proposed metrology procedure.

REASONS

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

6.11 Consultation with Code participants

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

- (d) includes copies of submissions received by the *network operator* from *Code participants*.
 - (4) The *Authority* must not approve a proposed *document* unless the *Authority* is satisfied that the *network operator* has complied with clauses 6.11(2) and 6.11(3).
8. Reports were provided by Western Power and Horizon Power identifying the consultation that had taken place with retailers on the proposed metrology procedure. It should be noted that the proposed metrology procedure and consultation report submitted by Horizon Power is identical in content to the documents submitted by Western Power as it was prepared by Western Power in consultation with Horizon Power as Horizon Power has a Service Level Agreement for Western Power to act as its metering data agent.
 9. Submissions were invited from interested parties on the proposed metrology procedure. An initial submission was received from Synergy on the proposed metrology procedure. Advice was also received from Alinta Sales, Perth Energy and Synergy on the acceptability of the proposed metrology procedure to these retailers.
 10. The Authority considered the reports provided by Western Power and Horizon Power on its consultation with retailers on the proposed metrology procedure and the advice received from Alinta Sales, Perth Energy and Synergy.
 11. The Authority is satisfied that Western Power has undertaken adequate consultation that accords with the requirements of clauses 6.11(2) and (3) of the Metering Code.
 12. Additionally, clause 6.14 of the Metering Code states that the Authority must not approve a proposed document unless it is satisfied that the proposed document meets the criteria set out in clause 6.5 and clause 6.8.
 13. Clause 6.5 of the Metering Code sets out the requirements for all documents, as follows:

6.5 Requirements for all documents

A *document* must:

- (a) comply with this *Code*; and
- (b) not impose inappropriate barriers to entry to a market; and
- (c) be consistent with *good electricity industry practice*; and
- (d) be reasonable; and
- (e) be consistent with the *Code objectives*; and
- (f) be consistent with the *market rules*; and
- (g) unless this *Code* requires otherwise, be consistent with other enactments.

14. Clause 6.8 of the Metering Code sets out the specific approval criteria for a metrology procedure, as follows:

6.8 Requirements for a metrology procedure

A *metrology procedure* must at least:

- (a) as a minimum, contain information on the *devices* and *methods* that are used by the *network operator* to:
 - (i) measure, or determine by means other than a device, *electricity* produced and consumed at a *metering point*, and
 - (ii) convey the measured or determined information to other devices using *communications links*, and
 - (iii) prepare the information using *devices* or *methods* to form *energy data*; and
 - (iv) provide access to the *energy data* from a telecommunications network;

and
 - (b) specify the minimum requirements for *meters* and *metering installations*, including:
 - (i) *accumulation meters*; and
 - (ii) interfaces that allow *interval energy data* to be downloaded; and
 - (iii) direct connected *meters* for *Type 4* to *Type 6 metering installations*; and
 - (iv) *CTs* and *VTs*; and
 - (v) programmable settings under clause 3.10.
 - (c) specify the procedures for *estimating*, *substituting* and *validating energy data* under this *Code*; and
 - (d) be consistent with the approved asset management system required by section 14 of the Act; and
 - (e) specify the date from which the *metrology procedure* takes effect which must be no less than 3 months after it is *published*.
15. The Authority has considered the proposed metrology procedure against the approval criteria set out in clauses 6.5 and 6.8 of the Metering Code. The Authority has also considered all relevant matters including advice provided by McGill Engineering Services Pty Ltd and comments received from Synergy, Alinta Sales and Perth Energy.
16. Alinta Sales and Perth Energy have indicated general acceptance of the proposed metrology procedure.
17. Synergy has raised three matters of concern over the proposed metrology procedure. The first matter relates to substitute meter readings. Synergy has advised that it is critical to its billing processes that any substitute interval readings

have status codes (quality flags and reason codes) that explain the reason for the substitution, and indicate whether a replacement reading is expected or not. This information is critical for retailers to enable an informed decision as to whether to delay billing a customer. Inadequate information of this nature may result in inconvenience to the customer and the additional costs associated with re-billing. The Authority understands that Western Power has been asked by Synergy to clarify issues concerning the quality flags and status codes and the Authority has been advised that Synergy is confident that its concerns can be addressed.

18. The second matter relates to the determination of billing kVA. Western Power has not yet advised how kVA will be calculated for network billing purposes. Western Power has advised that it has not been able to determine these matters in time for inclusion in the metrology procedure and will seek an amendment to the metrology procedure when these matters have been determined and agreed with retailers. Synergy understands that this is a significant issue that will take some time to address and it will liaise with Western Power to achieve an appropriate outcome.
19. The third matter relates to data logger overflow. Synergy contends that the minimum storage periods specified in section 2.2.5(a) of the proposed metrology procedure do not meet the requirements of the Metering Code or Synergy's current Service Level Agreements. These minimums are only acceptable if Western Power can ensure that they do not lead to regular data logger overflows. Adopting a process of daily reading is not an acceptable alternative, given its high cost and it is not reasonable in these circumstances that the only options are monthly reads (and potential regular data loss). Synergy advised that it believes the provision of interval readings without regular (i.e. more than twice in any 12 month period) data buffer overflows should be a standard service covered by its reference tariffs. It claims that this is the current service level provided by Western Power, and that it should not be downgraded by the proposed metrology procedure.
20. In seeking to address this issue Western Power has proposed that if the problem occurs more than twice in 12 months, it will seek an agreed remedy with the retailer and will read more frequently until any solution is implemented. Synergy has subsequently advised that it understands that it is not Western Power's intention to reduce the quality of its services and, as such, Synergy has agreed to work with Western Power to ensure that appropriate standards are maintained.
21. The Authority has considered the three matters raised by Synergy and determined that as clause 6.20 (1)(b) of the Metering Code allows a Code participant at any time to request the Authority amend a document such as the metrology procedure, that these matters be dealt with, if necessary, by an amendment to the document at a later date.
22. Taking all of the above matters into consideration, the Authority has determined that the proposed metrology procedure submitted by Western Power and Horizon Power complies with clauses 6.5 and 6.8 of the Metering Code.