



15 September 2017

Metering Model SLA
AA4 Project Team
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Consultation on proposed Model Service Level Agreement

Alinta Energy welcomes the opportunity to provide comment on the Model Service Level Agreement (**MSLA**) proposed by Western Power for the provision of regulated metering services as part of Western Power's fourth Access Arrangement (**AA4**), which covers the five year period 1 July 2017 – 30 June 2022.

Alinta Energy understands that AA4 assumes:

- Retail market operations will remain with Western Power rather than transition to the Australian Energy Market Operator (**AEMO**);
- Metering services will remain mostly regulated; and
- Western Power will commence deployment of Advanced Metering Infrastructure (**AMI**) via a staged approach during AA4.

Alinta Energy has the following comments concerning the proposed MSLA.

AMI roll-out

Alinta Energy does not object to Western Power's proposal to install AMI for new and replacement meters and notes Western Power's forecast of an anticipated 355,000 advanced meter installations during the AA4 period.

Alinta Energy understands the deployment of AMI should enable retailers to develop and offer new products and services currently unavailable to the majority of customers. To ensure these benefits are achieved, consultation with retailers on the appropriate technology to be rolled out, including the communications technology, should be on-going.

However, whilst Alinta Energy does not object to the proposed AMI roll-out, it is important that any decision by Western Power today regarding the bulk replacement of meters does not preclude contestable metering from being introduced in the future, if it is found to be of benefit to customers. In addition, Western Power needs to ensure funds procured for AMI deployment are not directed elsewhere, as was the case under AA3 where metering related capital and operating expenditure was re-directed to other projects.

Metering Services

Alinta Energy understands Western Power proposes to segment metering services into Standard Metering Services (**SMS**) and Extended Metering Services (**EMS**), where SMS pricing will be a function of the AA4 process and included in the network tariff, and EMS will be negotiated between Western Power and network users.

Alinta Energy supports the proposed SMS approach of removing the current variable fee component and introducing a single fixed price of approximately \$30 per annum for all customers regardless of customer class (residential / non-residential) and the type of meter installed. However, Alinta Energy notes the services that fall under the SMS are predominantly limited to establishing new connection points and scheduled meter reading services.

Western Power should consider whether its planned EMS are consistent with the *Electricity Industry (Metering) Code 2012 (Metering Code)*, the *Electricity Industry (Customer Transfer) Code 2016 (Transfer Code)* and the *Code of Conduct for the Supply of Electricity to Small Use Customers 2016 (Customer Code)*. For example, whilst Western Power proposes to charge a fee of \$2.00 per unit under MDP-7 for provision of historical interval energy data, clause 10.7 of the Customer Code requires the distributor to give consumption data to a customer at no charge if the requested data is for a period of less than two years.

Service Standards

Alinta Energy notes the increase in service standard response times proposed by Western Power. These proposed timeframes need to ensure obligations under the Metering Code, Transfer Code and Customer Code can still be met.

Alinta Energy considers Western Power should be held accountable for meeting service standard response times. Where timeframes are not met and there is a flow-on effect to the retailer or customer, the retailer/customer should be compensated.

Alinta Energy considers Western Power should be required to report annually on service standard performance in the same way retailers are required to report and will raise this matter separately with the Economic Regulation Authority.

Alinta Energy urges Western Power to work closely with all retailers to ensure the proposed metering infrastructure enables retailers to offer a wide range of new and innovative products that cater for the varying needs of customers.

Yours sincerely

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