



Jemena Electricity
Networks (Vic) Ltd

ABN 82 064 651 083
321 Ferntree Gully Road
Mount Waverley VIC 3149
Locked Bag 7000
Mount Waverley VIC 3149
T +61 3 8544 9000
F +61 3 8544 9888
www.jemena.com.au



Multinet Group Holdings Pty Ltd
ACN 104 036 937

Registered Office:

- Level 3, 501 Blackburn Road
- Mt Waverley Victoria 3149 Australia
- Telephone: (03) 8540 7800
- Facsimile: (03) 8540 7899



UNITED ENERGY
Distribution

United Energy Distribution Pty Limited
ABN 70 064 651 029

Registered Office

- Level 3
- 501 Blackburn Road
- Mt Waverley Vic 3149
Australia
- Telephone (03) 8540 7800
- Facsimile (03) 8540 7899

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E-mail: EnergyRegulatoryReview@esc.vic.gov.au

Ms Wendy Heath
Senior Manager Regulatory, Energy Division
L2, 35 Spring Street
Melbourne Vic 3000

Review of Regulatory Instruments

Dear Wendy

United Energy Distribution, Multinet and Jemena Electricity Network (the businesses) appreciate the opportunity to provide comments to the ESC on the Review of Regulatory Instruments – Stage 1, Draft Decision, August 2008.

The businesses strongly support the ESC's move to remove regulatory provisions that are redundant or unnecessarily duplicate other regulation. The amendments to the Electricity Customer Metering Code are a good example of regulations which have moved to a national regulatory instrument and many of the clauses are redundant.

Whilst the businesses are supportive of the work undertaken to date, we recognise that there is further work on a stage 2 review covering:

- Interval metering and retail billing;
- Electricity Customer Transfer Code;
- Advanced Metering Infrastructure; and
- Electricity System Code.

The businesses provide comments on the ESC Draft Decision in three areas:

- Energy Retail Code (ERC), Clause 4.2 (o), Distribution Faults number on a customer bill;

- Electricity Customer Metering Code (ECMC), Clause 5.3, Treatment of Franchised Unmetered Load; and
- ECMC Drafting Amendments - Drafting amendments in relation to the Preliminary version of the revised ECMC provided for the ESC 16 July workshop.

Distribution Faults Number on a Customer Bill

We note SP AusNet's comments in the initial round of consultation to provide an obligation on Retailers to place the Distributors name against the faults numbers on customer's retail bills. SP AusNet submitted that by including the Distributors name with the faults number on the customer's bill this could reduce customer calls to the incorrect fault line number by 6%.

We support the SP AusNet proposal and the ESC's view that requiring a Distributor's name on a customer's bill against the fault number may increase customer's familiarity with the distributor.

A number of large scale outage events occurred in the Melbourne metropolitan area in February 2005, January 2006 and April 2008. During these events it is important for the distribution business to access the mass media to assist in communicating wide spread outages and the inherent public safety issues. Consistently when using the radio during these events, the Distributor's media spokespeople repetitively have to combat the issues of multiple distribution companies and the confusion of retailer and distributor activities.

In a large scale event, it would be invaluable for customers to understand that it is the distributor that services the poles and wires and is the voice of authority in terms of safety and outage messages. Data sourced from Emergency Management Australia demonstrates that at times of severe community disruption such as storms, if customers have some form of understanding of where the message is coming from then they will observe the message.

There is a safety issue in the public being able to access the correct distributor and understand the role of the distributor vs. retailer so that the distributor can respond efficiently and enhance public safety in these situations.

The businesses support the proposal to assist in improving emergency management.

However, we are cognisant that there will be a cost to retailers to change the bill print format. We suggest that there is some flexibility in this obligation that allows retailers to amend the customer's bill at a time that is convenient to them. The incremental cost of this should be minimal if the retailers can make this change at the time they are making other bill print changes. We suggest that the ESC provide a date by which the distributors name is placed against the faults and emergency number.

Treatment of Franchise Unmetered Load

In the move from franchise customer arrangements to retail competition, contestability was initially limited to a small range of unmetered supply devices such as public lighting for municipal customers and freeway lighting for road traffic authority customers.

To facilitate contestability the inventory tables were established by device types and locations, and the devices were tested and the loads for each device recorded in a load table. The inventory and load tables were agreed by all parties.

The development of the necessary inventory tables and load tables required for customer choice of retailer has not occurred for the other unmetered supply types – traffic lights, school crossings, parking meters, mobile phone and cable TV repeaters etc. In effect, these loads are operated as 1st tier as if the franchise load regime remained in place.

These arrangements reflect the significant work effort for industry and customers to agree the devices, and hence recognition by customers that little additional benefit is available. The ESC has recognised these arrangements in their Open Letter on Unmetered Supply.

The businesses strongly support the ESC’s statement that these unmetered loads are not able to follow the normal NEM metrology requirements. In their submission SP AusNet recommended that the revised ECMC grandfather these current unmetered supply arrangements.

The ESC is suggesting that Clause 18 of the ECMC should be repealed as this is now covered in the NEM Metrology arrangements. We support the repeal of this clause for public lighting unmetered supply, however, the franchise unmetered supply arrangements should be recognised in this clause.

We suggest the following drafting amendments to reflect the current situation:

Clause 18 - Franchise Unmetered Loads

The former metrology arrangements relating to franchise unmetered supply continue to apply until such time as the affected parties have agreed the detailed inventory tables at the appropriate device level and NEMMCO has approved the load table for the device.

ECMC Drafting Amendments

The ESC provided a preliminary version of the ECMC to stakeholders for discussion at a workshop on 16 July 2008. We recognise that this was a very early draft, however, the ESC has provided no further draft of the revised ECMC during this Draft Decision consultation.

The businesses provide the following comments on the preliminary version of the ECMC for the ESC to consider;

Clause	Proposed Amendment
Terminology	We suggest that the terminology “a distributor, a retailer, or a responsible person” could be simplified to “a responsible person”.
2.3 (b)	Reference to 2.4(a) should be amended to 2.3 (a)
4.1 (b)	The costs of replacing seals are to be borne by the customer if the seal was broken by the customer
5.2	The ESC’s Draft Decision wording should be used for unmetered supply testing with the following amendment; The new national metrology procedure has a Part A and Part B. Clause 3.10 should reference the Metrology Procedure – <u>Part A.</u>
6.8 (a)	As above. Clause 2.4.2 should reference the Metrology Procedure = <u>Part A.</u>
7.1 (d)	The cross reference to Clause 8.1 (e) is incorrect, Clause 8.1 (e) no longer exists.
7.2	Confidentiality is covered fairly extensively at Clause 8.6.1 and 7.7 of the NER. The proposed clause 7.2 appears to duplicate a significant part of the NER requirements, but expressed in different terms. If the NER requirements are inadequate it might be preferable to propose amendments to the NER, thereby ensuring that a common approach is maintained across national retailers and the national market.

Clause	Proposed Amendment
	<p>If the ESC chooses not to repeal this clause then the references should be corrected:</p> <p>7.2 (b) (4) - The cross reference to Clause 8.2 (b) (1) is incorrect, Clause 8.2 (b) (1) no longer exists.</p> <p>7.2 (c) - The cross reference to Clause 8.2 is incorrect, Clause 8.2 no longer exists.</p> <p>7.2 (d) - The cross reference to Clauses 8.2 (c) (2) and 8.2 (c) (8) are incorrect, these clauses no longer exist.</p>
10	Should the definition to the Commission refer to the ESC or its successor?
10	The definition for interval meter, clause (b) should refer to Metrology Procedure – <u>Part A</u> .
10	The definition for check metering seems to be implying a “testing” arrangement relative to the billing metering. This is not the case. Suggestion wording might be: “Check metering is metering equipment installed in series with the billing metering equipment for the purpose of providing comparison energy data, and thereby providing an early warning of a possible metering error or defect.”

The ESC provided a table of ECMC amendments in its Draft Decision. The businesses seek the following clarifications on this table:

- Clause 17.2 and 17.3 were not listed in the table, yet in the preliminary version of the ECMC we understand that these clauses were to be repealed from the ECMC as they were being moved to other instruments. The businesses suggest that these clauses should be repealed.
- The action the ESC intends to take on Clause 23A and 23 is not clearly defined in the Draft Decision. We suggest both of these clauses be repealed.

We look forward to reviewing a draft ECMC as the ESC has indicated in October 2008.

Should you have any further questions in relation to the above please do not hesitate to contact me on 8544 9447.

Yours sincerely

Verity Watson
 Manager Market Regulation