



Power of Choice Procedures Working Group

24 February 2017 Meter Churn Discussion

Meeting notes

Purpose of Meeting

This meeting was held in response to participants' request for an industry discussion regarding the practical application of the rules and AEMO's procedures to meter churn processes.

The intent of this document is to summarise the discussions during the meeting. C. Cormack chaired the discussion using the presentation slides which contain extracts of the rules and procedures sent to AEMO by an ActiveStream representative.

N. Elhawary noted that AEMO's role in this meeting was to facilitate an industry discussion for AEMO to consider following the meeting.

1. Item #1: NER 7.6.2(c)

- It was discussed that according to this rule, if a change in MC is affected? due to a change in retailer, the new MC does not become responsible for the metering installation and therefore cannot affect a meter churn until the retail transfer is completed (Retail transfer is completed when the market load is transferred to the new FRMP and the status of CR 1000 changes to 'COM' in MSATS).

2. Item #2: CR 6300 – Change MC

- CR 6300 allows an incoming MC to nominate itself as the new MC. Some participants were of the view that the retailer should be the only party that can nominate a new MC and that the current MC would likely object to these CRs automatically. However, other participants expressed the view that a new MC should be able to nominate itself and that the incumbent MC should confer with its appointer before objecting these CRs.
- Participants agreed that the inclusion of CR 1500 (provide actual change date) in CR 6300 is not required as it is not associated with any other changes. The use of the proposed change date is sufficient in this case.

3. Item #3: Meter Churn without retailer transfer and CR 6800

Participants expressed varied views on the topic of "meter churn without retail transfer". These views are as follows:

- While CR 6800 allows the current retailer to nominate all three roles (MC, MP& MDP) and have them become effective on the same day, Metrology Part A (Meter Churn), Service Level Procedure (MP) and AEMO's communications during the consultation process suggest that an incoming MC is required to become the current MC in MSATS before initiating a meter churn.
- Outside of a retailer transfer, if all parties can agree, the current retailer should be able to nominate all three roles and have them become effective on the same day.
- The requirement for an incoming MC to become the current MC before initiating a meter churn means that an incoming MC will be required to establish a commercial agreement with every incumbent MP and MDP whose services it seeks to replace. The result of this would be contrary to the objectives of the rule change.

- The requirement to have a two-step process (i.e. MC nominated to become current MC, current MC then nominates MP and MDP), will make the process very inefficient especially when the objection clearing period of 20 days is taken into account.
- The requirement for the current MC to be the only party that can initiate a meter churn is in the procedures. The rules do not specify that the current MC is the only party that can initiate a meter churn. Participants would like AEMO to provide clarification on the requirements of the procedures.
- Some participants raised a question as to why read type code is not associated with CR 6800. Other participants noted that CR 6800 is only associated with role changes. As such, a read type code is not required.
- CR 6800 should also be opened to incoming FRMPs and incoming MCs as long as the actual change date is after the completion date of the retail transfer.
- Some participants' systems are in the process of being built based on the concept that the current MC is the only party that can initiate a meter churn.
- There was also support for the view that an incoming MC must become the current MC before it can initiate a meter churn.

4. **Item #4: Meter Churn involving type 5/6 metering installations.**

- Participants raised an issue relating to the scenario where there is a faulty type 5/6 metering installation. In this scenario, the FRMP would need to appoint a contestable MC who would then need to have an arrangement with the LNSP to continue to provide MP and MDP services until the type 5/6 metering installation can be replaced.
- Participants referred to the AEMC's response to Victorian DNSPs' submission in the Metering Competition final determination which states:
 - *"The LNSP would need to be appointed by the MC under a commercial arrangement to perform the Metering Data Provider and Metering Provider roles. The LNSP would not be providing regulated metering services in this scenario as the Metering Coordinator would be ultimately responsible for providing these services. Ring-fencing arrangements may apply."*

Participants noted that DNSPs may not be able to continue providing type 5/6 metering services to a contestable MC and comply with the AER's Ring-fencing requirements. As such, it is important that all three metering roles can be changed on the same day.

- Participants also noted that NER 11.86.7(k) requires the appointment of an initial MC to continue until "*a Metering Coordinator being appointed with respect to that connection point under new Chapter 7*" while the note under this clause states:
 - *"The consequence of this provision is that the appointment or deemed appointment (as the case may be) will come to an end when a new or replacement metering installation is installed in accordance with clause 7.8.3 or 7.8.4 of new Chapter 7, provided that the AER does not classify services provided by small customer metering installations or type 4A metering installations as direct control services."*

- Participants also had a similar concern about meter churn relating to failure or end-of-life of family meters. Questions as to when a contestable MC should be nominated in MSATS and the provision of metering services for these meters while they are being replaced were raised and noted.

5. **Item #5: Providing zeroes for the end of meter churn day**

- Participants raised a question as to whether the requirement (in the SLP MDP) for the new MDP to provide zeroes for the end of churn day is necessary. Participants were asked to provide more information to AEMO on this topic in writing.

Meeting conclusion

- Participants would like AEMO to provide clarification that outside of a retail transfer (i.e. there is no market load transfer), if all parties agree, a current FRMP is able to nominate all three roles (MC, MP and MDP) with CR6800 and have those roles become effective on the same day as the meter churn day.
- AEMO thanked participants for their involvement and advised that it will consider the proposal and communicate back to participants shortly.