



Jemena Electricity Networks (JEN)

**Remote AMI service charges for
approval by the AER**

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1 Introduction

On 6 August 2010, JEN applied for the AER to approve a set of charges for Remote Advanced Metering Infrastructure (AMI) Services. The AER approved a set of charges in a final decision published on 15 February 2011.

At the time of that initial approval process, JEN had intended to commence providing Remote AMI Services from March 2011.¹ Similar timing was intended by the other Victorian distributors that submitted charges for approval. Working on this assumption, the AER decided to approve charges for the 2011 and 2012 calendar years only. The AER intended to set new charges for the 2013 calendar year using updated information, to be provided by distributors in mid 2012. The new information would be based on more than a full year of actual experience of providing the services, thus creating a significantly better understanding of the costs.

2 Developments following AER decision


While the AER published its final decision in February 2011, JEN was only able to first provide Remote AMI Services on 13 April 2012. Other distributors with approved charges for Remote AMI Services experienced similar delays. A key driver for the delay was the Energy Safe Victoria (ESV) process, which ensured customer safety when providing these services and provided the necessary safety approvals. As a result, at this point in time JEN has only been providing Remote AMI Services for approximately 5 months.

The remote re-energisation and remote de-energisation services are currently available to approximately 14% of JEN's customers. This is because services can only be provided by retailers that have agreed a memorandum of understanding with ESV regarding the safety controls to be applied when using the service. So far, only two out of 18 retailers that use AMI meters on JEN's network have reached agreement with the ESV. Fewer than 100 remote re-energisations and fewer than 400 de-energisations have been provided to date.

Remote special meter reading and remote meter reconfiguration have had a higher uptake, but are still only currently available to less than half of JEN's customers. Less than 5000 remote special meter reads and less than 7000 remote meter reconfigurations have been provided to date.

Given the recent introduction of Remote AMI Services, JEN has not to date carried out a detailed investigation of the costs of providing the services. JEN considers it would be more appropriate to undertake this review once at least a full year of service provision has been completed. Over the coming months, JEN also expects the uptake of the services to increase.

¹ Refer letter from Anton Murashev to Jessica Gordon titled "JEN Response to AER questions on JEN's proposed remote service charges" of 14 October 2010 Attachment 2 – Page 3.



As the charges approved by the AER in February 2011 are set to expire on 31 December 2012, JEN is applying for a new set of charges to apply from 1 January 2013 to 31 December 2013. Given the explanation above, JEN proposes no change to the charges that are currently in place.

3 Information Required by Guideline 14

In this section, JEN sets out the information JEN is required to provide under section 5.5 of Guideline 14 when submitting excluded service charges for the AER's approval.

3.1 Information required by sections 5.5.1(a)

Section 5.5.1(a) requires a description of each excluded service, including details of what is actually provided as part of that service. JEN considers that the Remote AMI Services that JEN currently offers fall into the four categories set out by the AER in its 15 February 2011 Final Decision on AMI remote service charges—remote special meter read, remote de-energisation, remote re-energisation and remote meter reconfiguration. The descriptions in the AER final decision still apply.

3.2 Information required by section 5.5.1(b)

Section 5.5.1(b) requires an explanation of any change in the distributor's proposed charge and terms and conditions for the excluded service. For the reasons explained above, JEN does not propose to make any changes to the charges or the terms and conditions that currently apply. JEN considers that it would be appropriate for the AER to reset the charges for calendar year 2014. This process could take place in mid 2013, using at least a full year of experience in providing Remote AMI Services.

3.3 Information required by section 5.5.1 (d)

Section 5.5.1(d) requires details of what is required of the distributor in providing the excluded service, such as materials and labour. As JEN has only been providing remote services for approximately 5 months, and does not propose to make any changes to the charges, JEN has not carried out a detailed review of the underlying costs of providing Remote AMI Services. JEN therefore relies on the cost build ups and explanations previously provided to the AER, which are set out in Section 4 and Appendix 1 of JEN's original proposal of 6 August 2010.

Both of these documents are attached on a confidential basis, consistent with how they were previously submitted. JEN considers that it would be appropriate to accumulate at least one full year of service provision before a meaningful update of the cost build up could be developed. JEN would therefore be in a position to update its cost build up in mid 2013.