



Draft Decision

Victorian electricity distribution network service providers

AMI remote services charges

Review under ESCV Guideline 14

October 2012

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Submissions

This document sets out the Australian Energy Regulator's (AER) draft decision on the proposed charges and terms and conditions for advanced metering infrastructure (AMI) remote services in Victoria.

This draft decision relates to the statements of proposed charges and terms and conditions submitted by Powercor Australia Limited (Powercor), CitiPower Pty (CitiPower), Jemena Electricity Networks (Vic) Limited (JEN) and United Energy Distribution Holdings Pty Ltd (United Energy) regarding the provision of AMI remote services. SPI Electricity Pty Limited (SP AusNet) did not submit a statement as it is not yet providing AMI remote services to customers.

The charges and terms and conditions set out in this draft decision would take effect on 1 January 2013.

Interested parties are invited to make written submissions on the draft decision by Wednesday 14 November 2012. The AER will consider all information it receives as part of this process, including submissions on the draft decision. Submissions can be sent electronically to [AERInquiry@aer.gov.au](mailto:AERInquiry@ aer.gov.au), or mailed to:

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The AER prefers all submissions to be sent in an electronic format in Microsoft Word or other text readable document form and publicly available, to facilitate an informed, transparent and robust consultation process. Accordingly, submissions will be treated as public documents and posted on the AER's website, except and unless prior arrangements are made with the AER to treat the submission, or portions of it, as confidential. Parties wishing to submit confidential information are requested to:

- clearly identify the information that is the subject of the confidentiality claim
- provide a non-confidential version of the submission.

The AER will publish all non-confidential submissions on its website (www.aer.gov.au).

Please direct enquiries about the AER's draft decision, or about lodging submissions, to Mr John Skinner on (02) 9230 3855.

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Shortened forms

Shortened form	Full title
AER	Australian Energy Regulator
AMI	Advanced metering infrastructure
CitiPower	CitiPower Pty ACN 064 651 056
CPI	consumer price index
DNSP	distribution network service provider
ESCV	Essential Services Commission of Victoria
Guideline 14	Essential Services Commission of Victoria, ' <i>Electricity Industry Guideline 14: Provision of Services by Electricity Distributors</i> ', April 2004
JEN	Jemena Electricity Networks (Vic) Limited ACN 064 651 083
NEL	National Electricity Law
NER	National Electricity Rules
Powercor	Powercor Australia Limited ACN 064 651 109
United Energy	United Energy Distribution Holdings Pty Ltd ACN 104 381 660

Summary

Advanced metering infrastructure (AMI) remote services are metering services that were previously provided through a field officer visit but can now be offered remotely to customers using AMI or smart meter technology. These services include remote special meter reads, remote meter reconfiguration, and remote re-energisation and de-energisations.

This is the AER's draft decision on the proposed charges and terms and conditions for AMI remote services from 1 January 2013. It relates to the AMI remote services offered by four Victorian distribution network service providers (DNSPs) - Powercor Australia Limited (Powercor), CitiPower Pty (CitiPower), Jemena Electricity Networks (Vic) Limited (JEN) and United Energy Distribution Holdings Pty Ltd (United Energy). SPI Electricity Pty Limited (SP AusNet) is not offering these services and has therefore not made an application.

In making this draft decision the AER carried out a review in accordance with the Essential Services Commission of Victoria's (ESCV) *'Electricity Industry Guideline 14: Provision of Services by Electricity Distributors'*, April 2004 (Guideline 14).

This draft decision sets out the AER's assessment of the statements of proposed charges and terms and conditions submitted by Powercor, CitiPower, JEN and United Energy. Interested parties are invited to make submissions on the draft decision. Once the AER has considered submissions it will then make a final decision on the DNSPs proposed charges and terms and conditions.

Draft decision

The AER's draft decision sets out the 2013 charges and terms and conditions for AMI remote services offered by Powercor, CitiPower, JEN and United Energy. The terms and conditions are set out in appendix A to this draft decision. The 2013 charges are set out in the table below.

AER draft decision: AMI remote services: charges for 2013 (excluding GST)

(\$2012)	Powercor	CitiPower	JEN	United Energy
Remote re-energisation	5.72	5.72	5.46	6.08
Remote de-energisation	5.72	5.72	5.46	5.71
Remote meter reconfiguration	30.31	30.31	34.52	32.00
Remote special meter read	N/A	N/A	1.62	0.75

The AER considers that the 2013 charges and terms and conditions comply with Guideline 14. These charges and terms and conditions would take effect on 1 January 2013 and would apply until further amended by the AER.

The approved charges in this draft decision are similar to the current charges imposed by Victorian DNSPs for AMI remote services. This follows the statements of the DNSPs that current charges should remain close to current levels for at least a further 12 months. It is also based on there being no material changes to costs in this initial period and volumes being significantly lower than expected. The AER notes this situation is contrary to expectations at the time of the previous AER decision on these services.

The low volumes of AMI remote services have meant that Victorian DNSPs have been unable to collect sufficient data for a proper consideration of the cost base for these services on an ongoing basis. Primarily, the low volumes can be attributed to the small number of retailers offering remote services.

The AER will seek further information from the DNSPs in 2013 on the extent of the roll-out of AMI remote services. The AER expects that as the AMI roll-out progresses towards completion by the end of 2013, and more retailers are in a position to offer these services, DNSPs should be able to collect a greater volume of information about the actual costs involved in providing AMI remote services.

Next steps

The AER invites submissions from interested parties in response to its draft decision and the statements of proposed charges and terms and conditions submitted by Powercor, CitiPower, JEN and United Energy. The deadline for submissions is Wednesday 14 November 2012.

Once the AER has considered submissions, it will publish its final decision.

1 About the AER's review of AMI remote services

Electricity meters are used by electricity suppliers to calculate the cost of power to customers as well as energy and transportation charges for electricity retailers. AMI measures and records (at 30 minute intervals) how much electricity a household or business is using. AMI enables two way communications between a customer and their DNSP. This eliminates the need for someone to attend the customer's premises to provide certain services which can be enabled through the AMI infrastructure.

In 2006 the Victorian Government mandated the roll-out of AMI over the period 2009–15 for all customers consuming less than 160 MWh per annum. Manually read meters are to be replaced with AMI technology, which provides half-hourly consumption information to DNSPs.

DNSPs were required to commence installing AMI meters from 2009, with the roll-out due to be completed by the end of 2013. The full roll-out schedule is shown in table 1.1 below.

Table 1.1: AMI roll-out schedule

Timeline	Roll-out percentage to be completed
30 June 2010	5%
31 December 2010	10%
30 June 2011	25%
30 June 2012	60%
30 June 2013	95%
31 December 2013	100%

Source: Schedule 1 of the Advanced Metering Infrastructure Order in Council made under the *Electricity Industry Act 2000 (Vic)*.

The AER is required to approve the setting of charges relating to the AMI roll-out to electricity consumers across Victoria, including AMI remote service charges. All electricity customers are paying for the roll-out of smart meters through charges on their electricity bills. However, remote services are only provided and charged on an 'as requested' basis, separately to other metering charges. When considering AMI remote service charges the AER must carry out a review in accordance with Guideline 14.

1.1 Overview of DNSPs

The five licensed DNSPs in Victoria are Powercor, CitiPower, JEN, United Energy and SP AusNet.

Powercor's distribution network operates in central and western Victoria, as well as Melbourne's outer western suburbs. CitiPower's network encompasses Melbourne's central business district and inner suburbs. JEN services customers in Melbourne's north-western suburbs, United Energy in east and south-east Melbourne and the Mornington Peninsula, and SP AusNet in the eastern suburbs of Melbourne, and north-east and eastern Victoria.

1.2 Relevant regulatory requirements

On 1 January 2009 the AER became responsible for regulatory obligations, functions and powers under a whole suite of Victorian instruments relating to the economic regulation of electricity distribution services in Victoria.¹ The AER responsibilities now extend to the regulation of AMI services including remote services.

The regulatory arrangements relating to the AMI roll-out were initially set out in an August 2007 Order in Council (the AMI Order) made under *the Electricity Industry Act 2000 (Vic)*. The Victorian Government published minimum AMI functionality and service level specifications for the AMI roll-out in October 2007, and revised them in September 2008. These specifications set the minimum requirements that the DNSPs must comply with in procuring and implementing their AMI systems. DNSPs are the only entities responsible for the AMI roll-out and, as such, AMI remote services are non-contestable.

AMI remote services are regarded as ‘Excluded Services’.² It is a condition of the DNSPs’ distribution licences that a range of excluded services must be offered for a charge and on terms and conditions that are fair and reasonable. The excluded services must also be consistent with any applicable guidelines.³ The applicable guideline is Guideline 14. Therefore, AMI remote services are regulated under the Victorian electricity distribution licences and Guideline 14.

1.3 AMI remote services

With the roll-out of AMI, metering services that were previously provided through a field officer visit can now be offered remotely. This draft decision sets out the 2013 charges for the following remote AMI services:⁴

- Remote re-energisation – these services utilise AMI to control a supply contactor inside the meter such that the customer is connected to the DNSP’s network. This can also be referred to as ‘*connection*’.
- Remote de-energisation – these services utilise AMI to control a supply contactor inside the meter such that the customer is disconnected from the DNSP’s network. This can also be referred to as ‘*disconnection*’.
- Remote meter reconfiguration – these services change the setting in a meter and can include implementation of supply capacity as well as changes:
 - To the meter software to enable changes to parameters for a specific meter function
 - To the switching times for controlled loads

¹ See *National Electricity (Victoria) Act 2005 (Vic)* ss17 and 23.

² Clause 1.2 of the Victorian Electricity Supply Industry Tariff Order 2005.

³ See, for example, clauses 12 and 22.1(d) of Powercor Australia Limited’s Electricity Distribution Licence.

⁴ These services were described in the AER’s final decision ‘*Victorian electricity distribution network service providers AMI remote service charges – Review under ESCV Guideline 14*’, February 2011 (AER Final Decision: AMI remote service charges).

- To enable the installation of embedded generation and / or the premium feed in tariff
- Remote special meter readings – these services are an actual meter reading performed outside the usual reading cycle for the meter at the request of the customer or retailer.

This draft decision specifies the proposed AMI remote service charges and terms and conditions offered by Powercor, CitiPower, JEN and United Energy. The AER considers these charges and terms and conditions comply with Guideline 14. The AER has assessed the statements of proposed charges and terms and conditions submitted by each of these DNSPs against the criteria set out in clause 5 of Guideline 14.

1.4 Review process

In proposing charges for AMI remote services, DNSPs are required to submit a statement of proposed charges and terms and conditions. Under clause 5.5 of Guideline 14 any statement should include, at a minimum, the following details:

- A description of the AMI remote services
- An explanation of any change in the proposed charge and terms and conditions for AMI remote services
- Details of what is required of the DNSP in providing the AMI remote services

Following receipt of the DNSP's statement, the AER conducts a preliminary assessment of the fairness and reasonableness of the proposed charges and terms and conditions. This assessment is done in accordance with the principles set out in clause 5.6 of Guideline 14.

The AER considers effective consultation and engagement with stakeholders is essential to the AER's performance of its regulatory functions. Therefore, the AER has released its draft decision for public consultation.

After considering the submissions made in response to the draft decision within the time allowed, and any other matters the AER considers relevant, the AER must make a final decision.

1.5 Consultation

The AER invites submissions from interested parties in response to its draft decision on the statements of proposed charges and terms and conditions submitted by Powercor, CitiPower, JEN and United Energy. Submissions are due on Wednesday 14 November 2012.

Once the AER has considered submissions, it will publish its final decision.

1.6 Structure of decision paper

This draft decision is as follows:

- Chapter 2 – sets out the AER's approach to assessing the DNSP's statement

- Chapter 3 – sets out the AER’s draft decision and the proposed charges for AMI services for the 2013 calendar year
- Chapter 4 – sets out the DNSPs’ statements
- Chapter 5 – sets out an analysis of the issues the AER has considered in reaching its draft decision
- Confidential appendices – contain sections of the AER's analysis that include confidential information.

2 AER approach

DNSPs providing AMI remote services are required to submit to the AER a statement of proposed charges and terms and conditions. The statement should include certain details including a description of the AMI remote services, an explanation of any change in the proposed charges and terms and conditions, and what is required in providing these services.

As the regulator responsible for the economic regulation of electricity distribution services in Victoria, the AER is required to assess each DNSP's statement in accordance with the principles set out in clause 5.6 of Guideline 14.

The AER's draft decision covers:

- charges for AMI remote services, and
- terms and conditions for AMI remote services.

2.1 ESCV Guideline 14

Clause 5 of Guideline 14 deals with the requirements relating to excluded services. As discussed in section 1.2 above AMI remote services fall within the definition of excluded services under the relevant Victorian instrument.

Clause 5.5 of Guideline 14 outlines the information DNSPs must provide when issuing a statement for an excluded service. At a minimum these include:

- A description of the service including details of what is actually provided as part of that service (clause 5.5.1(a))
- An explanation of any change in the proposed charge and terms and conditions for the service including the reasons for any change in, or change in the magnitude of, costs incurred by the DNSP in providing the service and the effect of any such change on the distributor's proposed charge and terms and conditions (clause 5.5.1(b))
- Details of what is required of the DNSP in providing the service such as materials and labour including labour type, hourly rates and estimated man hours to complete the work (clause 5.5.1(c))

The AER must not approve a DNSP's statement unless it decides the DNSP's statement is fair and reasonable. The principles against which the AER must assess a statement are contained in clause 5.6 of Guideline 14. These principles are set out below:

- terms, conditions and charges for the services must be based on the costs incurred by the DNSP in providing the excluded service (clause 5.6.2(a))
- any costs for which a DNSP has been remunerated under their distribution tariff cannot be included as costs incurred in providing the excluded service (clause 5.6.2(b)(1))

- DNSPs must appropriately allocate shared or common costs (costs incurred by providing both the excluded service and other goods or services) whether in the conduct of their business as a DNSP or any other business (clause 5.6.2(b)(2))
- terms, conditions and charges must be the same for all customers unless there is a material difference in the costs of providing the excluded service to different customers or classes of customer (clause 5.6.2(c))
- terms, conditions and charges for excluded services should be simple and easily comprehensible (clause 5.6.2(d)).

The AER must, as soon as practicable after deciding whether to approve a statement notify the DNSP of its decision and provide reasons – clause 5.7.

Guideline 14 also provides for the publication of approved statements. Under clause 5.8 the AER must publish all DNSP approved statements on its website. The DNSP must also publish its approved statements and provide copies upon request.

2.2 Previous AER decision

In February 2011, the AER released its final decision ‘*Victorian electricity distribution network service providers AMI remote service charges – Review under ESCV Guideline 14*’, February 2011 (*AER Final Decision: AMI remote services charges*). This decision sets out the AMI remote service charges Powercor, CitiPower, JEN and United Energy currently impose upon customers– see table 2.1 below. Under the AER’s 2011 decision, the charges do not apply after 31 December 2012, and DNSPs are required to submit to the AER statements for approval of AMI remote services charges for 2013 by 31 August 2012.

Table 2.1 AMI remote service current charges as per the AER’s 2011 decision (excluding GST)

(\$2010)	Powercor	CitiPower	JEN	United Energy
Remote re-energisation	5.27	5.27	5.13	6.62
Remote de-energisation	5.27	5.27	5.13	6.62
Remote meter reconfiguration	27.95	27.95	32.44	39.10
Remote special meter read	0.00	0.00	1.52	1.50

Source: AER Final Decision: AMI remote services charges

SP AusNet is not subject to the *AER Final Decision: AMI remote services charges*. This service provider did not submit a statement in 2010, the last time the AER considered these charges. This was on the basis delays in its AMI roll-out prevented it from calculating accurate pricing for remote services. SP AusNet has not yet commenced providing AMI remote services to customers.

On 14 August 2012, all five DNSPs wrote to the AER indicating that the practical implementation of AMI remote services has been much slower than was expected at the time

of the last review and they have been unable to collect significant new information about the actual costs of providing AMI remote services. The DNSPs requested that the AER delay commencement of its next review of AMI remote service charges until 31 August 2013, and the current charges for Powercor, CitiPower, JEN and United Energy remain constant in real terms and apply until 31 December 2013.

The AER subsequently advised the DNSPs it could only approve proposed changes to AMI remote service charges after undertaking a review in accordance with the process set out in Guideline 14. The AER requested that each DNSP submit for review a proposed statement, including their justifications for maintaining charges at current levels.

2.3 What the AER considers in reaching the draft decision

The AER's draft decision has been made in accordance with the relevant clauses of Guideline 14.

In forming its draft decision, the AER has:

- considered the statements of proposed charges and terms and conditions and supporting information received from Powercor, CitiPower, JEN and United Energy
- considered information provided by Powercor, CitiPower, JEN and United Energy in response to information requests from the AER
- undertaken its own analysis to verify the information provided by Powercor, CitiPower, JEN and United Energy

3 Draft decision

The AER's draft decision sets out the 2013 charges and terms and conditions for AMI remote services offered by Powercor, CitiPower, JEN and United Energy. The terms and conditions are set out in appendix A to this draft decision. The 2013 charges are set out in table 3.1 below.

Table 3.1 AER draft decision: AMI remote service charges for 2013 (excluding GST)

(\$2012)	Powercor	CitiPower	JEN	United Energy
Remote re-energisation	5.72	5.72	5.46	6.08
Remote de-energisation	5.721	5.72	5.46	5.71
Remote meter reconfiguration	30.31	30..31	34.52	32.00
Remote special meter read	N/A	N/A	1.62	0.75

The AER considers that the 2013 charges and terms and conditions comply with Guideline 14. These charges and terms and conditions would take effect on 1 January 2013 and would apply until further amended by the AER.

The approved charges in this draft decision are similar to the current charges imposed by Victorian DNSPs for AMI remote services. This follows the statements of the DNSPs that current charges should remain close to current levels for at least a further 12 months. It is also based on there being no material changes to costs in this initial period and volumes being significantly lower than expected. The AER notes this situation is contrary to expectations at the time of the previous AER decision on these services.

The low volumes of AMI remote services have meant that Victorian DNSPs have been unable to collect sufficient data for a proper consideration of the cost base for these services on an ongoing basis. Primarily, the low volumes can be attributed to the small numbers of retailers offering remote services.

The AER will seek further information from the DNSPs in 2013 on the extent of the roll-out of AMI remote services. The AER expects that as the AMI roll-out progresses towards completion by the end of 2013, and more retailers are in a position to offer these services, DNSPs should be able to collect more information about the actual costs involved in providing AMI remote services. This will allow the AER to conduct a fuller assessment of existing charges at the time of the next review.

4 DNSPs statements

On 14 September 2012, the AER received four separate statements (Powercor, CitiPower, JEN and United Energy) setting out the proposed 2013 charges and terms and conditions for AMI remote services. These are discussed in more detail below.

4.1 Powercor and CitiPower

Powercor and CitiPower function as two separate distribution networks but are managed through a single corporate structure. Both DNSPs have submitted statements of proposed charges relating to AMI remote services. However the relevant content of their statements is identical.

Powercor and CitiPower are proposing that the previously approved AMI remote service charges be escalated in accordance with the consumer price index (CPI).⁵ This is on the basis that the only modified cost variable is salary increases (which has been held at CPI). Powercor and CitiPower submit that, due to unforeseen factors, delays have occurred with the AMI roll-out which mean they have been unable to collate enough information around the actual costs associated with providing these services. These factors include:

- the slow uptake of remote services by retailers
- delays with retailers entering into a memorandum of understanding with Energy Safe Victoria (ESV) in relation to approved safety processes
- the speed of the AMI roll-out over the past year

Powercor and CitiPower statements did not refer to other terms and conditions for AMI remote services. However, Powercor and CitiPower subsequently provided the AER with proposed terms and conditions for AMI remote services. The proposed terms and conditions are set out in appendix A to this draft decision.

4.1.1 AMI remote services offered by Powercor and CitiPower

Powercor and CitiPower proposed charges for the following AMI remote services:

- remote re-energisation
- remote de-energisation
- remote meter reconfiguration

⁵ Powercor and CitiPower propose the escalation be year on year in accordance with the rate of change of the equivalent field based services until 2015 – see Powercor, *Submission to the Australian Energy Regulator: Alternative Control Services - Advanced metering infrastructure: remote metering services*, 14 September 2012, p. 6 and CitiPower, *Submission to the Australian Energy Regulator: Alternative Control Services - Advanced metering infrastructure: remote metering services*, 14 September 2012, p. 6.

Powercor and CitiPower did not identify remote special meter reads as an AMI remote service. This is consistent with the approach Powercor and CitiPower took during the last AMI remote service charges review.

The AMI remote service descriptions Powercor and CitiPower have included in their statements are consistent with those adopted by the AER in the *AER Final Decision: AMI remote services charges*.⁶

4.1.2 Explanation for any change in the proposed charges

Powercor and CitiPower are proposing to maintain the structure, time and effort as outlined in their respective previous model submitted in 2010. It is proposed that the previously approved charges be escalated in accordance with the CPI.

The AER sought further information from Powercor and CitiPower about their explanation for the proposed charges and why there was a need to escalate costs by CPI. In response to the AER's information request, Powercor and CitiPower indicated that the process and allocated times for the provision of AMI remote services has not changed since their 2010 submission. The only variable is salary increases which have been held at CPI, notwithstanding that actual labour costs have increased by more than CPI.⁷ Powercor and CitiPower also referred to the AER's final decision on the control mechanism for fee based and quoted alternative control services. They noted this decision set a price cap for 2011 prices and a CPI-X price path for 2012–15.

4.1.3 Details of what is required in providing AMI remote services

Powercor and CitiPower set out in their statements the steps which they would typically follow when dealing with AMI remote services. These include:

- receipt of request
- validation that service is remote and conforms with business rules
- execution on instruction
- confirmation of outcomes.

Powercor and CitiPower indicate that in developing these services they have used back-office labour charges – there is no field labour component.

4.2 JEN

JEN is proposing there be no change to the existing charges or terms and conditions currently in place for their AMI remote services.⁸ This is based upon a delay in rolling out AMI remote services. JEN only commenced providing AMI remote services in April 2012. JEN's

⁶ *AER Final Decision: AMI remote service charges*, pp. 12, 15 and 17.

⁷ Powercor and CitiPower note this is below the wage increase index.

⁸ JEN's existing terms and conditions are set out in appendix A of this draft decision.

application indicates that it is currently offering remote energisation services to approximately 14% of JEN's customers and remote reconfigurations and special meter reads to less than 50% of JEN customers. As a result, JEN has not carried out an investigation of the costs of providing AMI remote services.

JEN propose that the AER's decision on new charges apply from 1 January to 31 December 2013.

4.2.1 AMI remote services offered by JEN

JEN proposed charges for the following AMI remote services:

- remote re-energisation
- remote de-energisation
- remote meter reconfiguration
- remote special meter reads.

JEN acknowledge that the descriptions for these services as set out in the *AER Final Decision: AMI remote services charges* still apply.

4.2.2 Explanation for any change in the proposed charges

JEN has not proposed any changes to the AMI remote service charges or terms and conditions due to the delay in the AMI roll-out. JEN considers it would be appropriate for the AMI charges to be reset for the 2014 calendar year with this process commencing in mid 2013. This would mean at least a full year of AMI remote service provision experience could be used.

4.2.3 Details of what is required in providing AMI remote services

JEN indicated it has not carried out a detailed review of the costs of providing AMI remote services as they have only been providing the services for five months. JEN is therefore relying upon the cost build ups and explanations provided to the AER as part of its original statement in 2010.⁹

4.3 United Energy

United Energy proposed that AMI remote service charges be reviewed to reflect the volume of activities and the additional information garnered from the utilisation of the services in the period following the previous decision. United Energy is proposing a small reduction in charges to apply from 1 January 2013 to 31 December 2013. No changes are proposed to United Energy's existing terms and conditions – these are set out in appendix A to this draft decision.

⁹ JEN attached these documents to their application. They have been provided to the AER on a confidential basis – see JEN, *Remote AMI service charges for approval by the AER*, 14 September 2012, p. 5.

United Energy commenced providing remote energisation services in April 2012. The statement notes that while it is proposed prices should fall slightly, the proposed charges are based on low volumes and information which is very limited to date. This is due primarily on the small number of retailers offering remote services and the fact that the AMI remote services roll-out has been slower than expected.

4.3.1 AMI remote services offered by United Energy

United Energy proposed charges for the following AMI remote services:

- remote re-energisation
- remote de-energisation
- remote meter reconfiguration
- remote special meter reads.

United Energy's statement indicates it is reasonably supportive of the AMI remote service descriptions adopted by the AER in the *AER Final Decision: AMI remote services charges* continuing to apply. The statement notes that a remote special meter read for United Energy is providing data or register reads for the previous day.

4.3.2 Explanation for any change in the proposed charges

United Energy proposes to decrease the charges for AMI remote services based upon a review of each service which found the following:

- remote re-energisation - based upon limited volumes the review time has decreased from seven to five minutes. Exception and manual intervention levels are the same.
- remote de-energisation - based upon a reduction in exceptions and review times for service orders.
- remote meter reconfiguration – review and execution times have decreased along with exceptions
- remote special meter read – based upon small volumes the level of manual intervention is 7 mins with 10% exception (c.f. 20 mins previously)

4.3.3 Details of what is required in providing AMI remote services

United Energy sets out in its statement the steps which process which are undertaken for each AMI remote service. The statement indicates that for remote energisation services the process involves manual intervention and includes:

- confirming correct meter number
- confirming service order request is viable

- checking whether site energised in last 12 months or electrical safety certificate is required
- addressing any lack of AMI communication to the meter
- de-energisation requests verified against life support records

Remote meter reconfigurations involve a linear process with manual intervention. Requests are reviewed and processed individually. A small degree of manual intervention is incorporated into the remote special meter read process although no fieldwork is involved.

4.4 DNSP proposed charges

Table 4.1 sets out the AMI remote service charges for 2013 proposed by Powercor, CitiPower, JEN and United Energy.

Table 4.1 AMI remote services: DNSP proposed charges for 2013

	Powercor (\$2013)	CitiPower (\$2013)	JEN (\$2010)	United Energy (\$real 2012)
Remote re-energisation	5.81	5.81	5.13	6.08
Remote de-energisation	5.81	5.81	5.13	5.71
Remote meter reconfiguration	30.79	30.79	32.44	32.00
Remote special meter read	N/A	N/A	1.52	0.75

5 Issues for consideration

The AER has undertaken an assessment of each statement in accordance with Guideline 14. A number of relevant issues have been identified by the AER. These are discussed in more detail below.

5.1 Statements of proposed charges and terms and conditions

The AER is satisfied that the statements provided to the AER by Powercor, CitiPower, JEN and United Energy satisfy the minimum content requirements set out in clauses 5.5.1(a), 5.5.1(b) and 5.5.1(d) of Guideline 14. The content of each DNSPs' statement is outlined in chapter 4 of this draft decision.

5.2 Guideline 14 – excluded service principles

The AER must not approve a DNSP statement unless it decides the statement is fair and reasonable. The excluded service principles against which the AER must assess a statement are contained in clause 5.6 of Guideline 14. The AER's assessment of the DNSPs' statements against these principles is set out below:

5.2.1 Cost of service - clause 5.6.2(a)

Clause 5.6.2(a) of Guideline 14 requires any proposed charges and terms and conditions to be based on the costs incurred by the DNSP in providing the excluded service. In assessing the costs incurred by the DNSPs when providing AMI remote services, the AER has taken into account the information provided by the DNSPs in their statements.

Powercor, CitiPower, JEN and United Energy referred in their statements to the delays associated with the AMI roll-out and the resulting difficulties of identifying the costs of providing AMI remote services.

The AMI roll-out

The AMI roll-out schedule, as set out in table 1.1 above, stipulates that 60% of the AMI roll-out should occur by mid-2012, with the remainder to be completed by the end of 2013. The Victorian DNSPs have provided information to the AER in their regulatory accounts about the AMI roll-out. This information was provided on a confidential basis and is discussed in the confidential appendices to this draft decision.

In September 2012, the five Victorian DNSPs submitted to the Senate Select Committee Inquiry on Electricity Prices and stated that almost 1.5 million of the estimated 2.6 million AMI meters have now been installed across Victoria.¹⁰ The AER notes that this equates to approximately 58% of the AMI roll-out being completed and is just under the 60% target for mid-2012. While the completion rate is likely to be different for each DNSP, overall the roll-out of AMI meters does not appear too far behind the scheduled target of 60% for mid 2012.

¹⁰ Victoria's Electricity Distribution Businesses, *Submission to the Senate Select Committee Inquiry on Electricity Prices*, 14 September 2012, p. 7.

Volumes of AMI remote services

In their submissions, the DNSPs indicated that the low volumes of AMI remote services currently being offered to customers have made it difficult to identify the costs associated with providing these services. Powercor, CitiPower, JEN and United Energy all provided the AER with material relating to the current volumes of AMI remote services. During the course of its review the AER also sought further information from each DNSP about this aspect of their applications.¹¹

Powercor and CitiPower

Powercor and CitiPower's current volumes are set out below in tables 5.1 and 5.2 below. In these tables, the AER has also used Powercor and CitiPower's volume data to estimate the total revenue each DNSP has generated to date based upon the current AMI remote charges.

Table 5.1 Powercor: Volume of AMI remote services provided to date and estimated revenue

	Volume of AMI remote services offered to date	Current charge per service (\$2010)	Estimated total revenue generated to date (\$2010)
Remote re-energisation and de-energisation	3874	\$5.27	\$20,416
Remote meter reconfiguration	13,779	\$27.95	\$385, 123
Total	17,653		\$405, 539

Source: Powercor, Submission to the Australian Energy Regulator: Alternative Control Services - Advanced metering infrastructure: remote metering services, 14 September 2012.

Table 5.2 CitiPower: Volume of AMI remote services provided to date and estimated revenue

	Volume of AMI remote services offered to date	Current charge per service (\$2010)	Estimated total revenue generated to date (\$2010)
Remote re-energisation and de-energisation	2382	\$5.27	\$12,553
Remote meter reconfiguration	768	\$27.95	\$21, 466
Total	3,150		\$34, 019

Source: CitiPower, Submission to the Australian Energy Regulator: Alternative Control Services - Advanced metering infrastructure: remote metering services, 14 September 2012.

¹¹ Telephone conferences were conducted with representatives of United Energy and JEN on 16 October 2012 and Powercor/CitiPower on 17 October 2012.

Powercor and CitiPower stated that delays have meant they have been unable to collate enough information around the actual costs of providing AMI remote services.¹² They indicated that the process and allocated times for the provision of AMI remote services has not changed since their 2010 submissions and the only modified cost variable is salary increases (which has been held at CPI).¹³

JEN

JEN's current volumes are set out below in table 5.3. In this table, the AER has also used JEN's volume data to estimate the total revenue JEN has generated to date based upon the current AMI remote charges.

Table 5.3 JEN: Volume of AMI remote services provided to date and estimated revenue

	Volume of AMI remote services offered to date	Current charge per service (\$2010)	Estimated total revenue generated to date (\$2010)
Remote re-energisation	100	\$5.13	\$513
Remote de-energisation	400	\$5.13	\$2052
Remote meter reconfiguration	7000	\$32.44	\$227,000
Remote special meter read	5000	\$1.52	\$7600
Total	12,500		\$237,165

Source: JEN, Remote AMI service charges for approval by the AER, 14 September 2012.

JEN indicated in its statement that it did not carry out a detailed review of the underlying costs as it only commenced rolling out AMI remote services in April 2012. Instead, JEN's statement relies upon the cost build ups and explanations set out in its 2010 AMI remote service charges proposal.¹⁴

United Energy

United Energy provided the AER with current volumes for AMI remote services. These volumes are set out in table 5.4 below. In this table, the AER has also used United Energy's volume data to estimate the total revenue that would be generated based upon the current AMI remote charges.

¹² Powercor, *Submission to the Australian Energy Regulator: Alternative Control Services - Advanced metering infrastructure: remote metering services*, 14 September 2012, pp. 4-5 and CitiPower, *Submission to the Australian Energy Regulator: Alternative Control Services - Advanced metering infrastructure: remote metering services*, 14 September 2012, pp. 4-5.

¹³ Powercor and CitiPower note this is below the wage increase index.

¹⁴ JEN, *Remote AMI service charges for approval by the AER*, 14 September 2012, p. 5.

Table 5.4 United Energy: Projected volume of AMI remote services and estimated revenue

	Volume of AMI remote services offered to date	Current charge per service (\$2010)	Estimated total revenue generated (\$2010)
Remote re-energisation	284	\$6.62	\$1880
Remote de-energisation	30	\$6.62	\$199
Remote meter reconfiguration	4092	\$39.10	\$159,997
Remote special meter read	400	\$1.50	\$600
Total	4,806		\$162,676

Source: United Energy, *AMI Remote Service Charges Application 2013*, 14 September 2012 and response to AER information request on 18 October 2012.

United Energy’s statement utilises information derived from their provision of AMI remote services but notes it is based upon low volumes and limited information.¹⁵

The volumes of AMI remote services are very low relative to the number of AMI meters which have been installed across Victoria. The AER investigated this further as part of its assessment. This assessment follows below.

Delay in the provision of AMI remote services

DNSPs referred in their statements to delays experienced in providing AMI remote services. These delays are reflected in the low volumes of AMI remote services provided to date. The AER acknowledges that this delay has meant the cost data DNSPs have collected is insufficient for a proper consideration of the cost base for these services on an ongoing basis.

The AER understands that AMI meters are ‘remote service ready’ as soon as they are installed. AMI remote services can be offered to customers once the DNSP transitions the meter from manual to remote mode. For existing customers this generally occurs within five days of installation and for new connections within 30 days.¹⁶ The DNSPs did not identify any significant difficulties with these processes. Accordingly, the AER does not consider that the low volumes for AMI remote services can be attributed to the implementation of AMI installation or transition procedures.

However, at the time the DNSPs lodged their statements, only a small number of retailers were offering customers AMI remote services. In early September 2012, only two retailers, Red Energy and Origin Energy, offered remote energisation services to customers.¹⁷ As of

¹⁵ United Energy, *AMI Remote Service Charges Application 2013*, 14 September 2012, p. 12.

¹⁶ In a small proportion of cases (less than 1%) this may not be possible due to problems with the mesh radio communication system.

¹⁷ Victorian Department of Primary Industries, Smart meter news release [‘Red Energy and Origin Energy first to offer remote services’](#), 1 June 2012.

October 2012, a number of other retailers, including AGL, have received ESV approval and are ready to offer AMI remote services.

All DNSPs have identified the low number of retailers offering remote services as the main factor contributing to low AMI remote service volumes. The AER understands that the delay in take-up by retailers is due to a number of factors, including the following:

- Business readiness – retailers need to ensure their various back office systems, policies and procedures can accommodate AMI remote services. In circumstances where modifications need to be made to IT systems (e.g. changes to billing systems) there may be a time lag before the retailer is in a position to commence rolling out AMI remote services.
- Implementation of safety processes – before offering AMI remote energisation services all retail businesses must be in a position to implement certain safety processes. This includes finalising call centre scripts to cover off on relevant safety issues and rolling out appropriate training to staff. Once businesses have undertaken these steps they must apply to the ESV for approval to commence offering these services.
- Strategic business reasons – individual retailers may for various business or strategic reasons wish to hold off on offering AMI remote services.
- Low consumer demand – demand for remote services is low, given AMI remote services are still a fairly new product within the market and with the roll-out only a little more than half completed. As the AMI roll-out further progresses and consumers become more familiar with AMI services the level of demand for AMI remote services is likely to increase.

The AER expects that retailer provision of AMI remote services will continue to grow over the next 12 months. As the AMI roll-out nears completion, retailers will recognise that to stay competitive and meet consumer demand they will need to modify their business processes and systems in order to provide AMI remote services, which provides customers these services at a much lower cost than manual services.

In February 2011, when the AER released its final decision on AMI remote service charges, it envisaged that by the time of the next review DNSPs would have a better understanding of the actual costs of providing AMI services. For this reason, the AER identified in its final decision a number of issues which it would consider as part of its 2012 review of remote service charges.¹⁸ However, as discussed below the AER is of the view it is now appropriate to defer its consideration of these issues until the next review.

Remote re- energisation and de-energisation services

During the 2010–2011 review of AMI remote services the AER noted that although the services of remote re-energisation and remote de-energisation were initially designed to be

¹⁸ *AER Final Decision: AMI remote service charges*, pp 13, 16, 18-19. These issues include those relating to manual intervention times and automation levels for remote services.

fully automated, manual intervention would be required at the beginning of the AMI roll-out as the DNSPs finalise internal processes to ensure a reliable level of service with minimal risk.¹⁹

Powercor, CitiPower and JEN did not provide any information in their statements about the extent to which their remote re-energisation and de-energisation services are currently automated. United Energy stated that less time may be spent on manual intervention once all retailers are ready to request these remote energisation services. However, it did not consider the process would ever be fully automated.²⁰ United Energy attributed the decrease in their remote re-energisation charges to a reduction in review times for service requests. For remote de-energisation the decrease in charges was due to falling review times and exception handling volumes.²¹

JEN's proposed remote energisations charges will remain constant in 2013 and United Energy's charges will be slightly lower than current levels. The proposed energisation charges for Powercor and CitiPower will be escalated in line with the CPI.

The AER considers that the proposed charges comply with Guideline 14. The low volume of AMI remote services provided to date has limited the cost data the DNSPs could use in their statements. Essentially, businesses are relying on previous cost forecasts which are still the best available to set current charges. This results in little or no change to existing charges. The AER is unaware of any better source of data. As a result, given the lack of more up-to-date information, the AER has relied in this instance on the data the DNSPs have provided. The AER expects that the market for AMI remote services will mature. In turn, the level of consumer demand and retailer uptake will increase, providing a better estimate of the long-term or ongoing costs of providing these services. The AER expects that, at the next review, DNSPs will be able to collect sufficient data for the AER to consider the cost base more fully.

Therefore, the AER accepts Powercor, CitiPower, JEN and United Energy's proposed charges for remote re-energisation and de-energisation services. The AER will seek further information from the DNSPs in 2013 on the extent of the roll-out of AMI remote services. The AER considers that the level of manual intervention and automation required to provide remote re-energisation and de-energisation services over the longer term will be easier to ascertain once the AMI remote services market matures and more data on the DNSP's actual costs is available. The AER will re-examine this issue at the next review when more costs data is available.

Remote meter reconfigurations

At the last review the AER acknowledged that over time the ability of DNSPs to automate and batch processes for meter reconfigurations would improve over time. The AER also recognised that:

...at this time, it is not possible to estimate the degree to which batching and automation will reduce the cost of providing remote meter reconfiguration services. The AER expects that the

¹⁹ AER, Draft decision: *Victorian electricity distribution network service providers AMI remote service charges – Review under ESCV Guideline 14*, November 2010, pp. 26-27.

²⁰ United Energy, *AMI Remote Service Charges Application 2013*, 14 September 2012, p. 8.

²¹ United Energy, *AMI Remote Service Charges Application 2013*, 14 September 2012, pp. 8-9.

DNSPs will have a significantly better understanding of the costs of providing remote meter configurations once when these charges are reviewed in 2012.²²

Powercor and CitiPower's statements indicated that batching was already incorporated to the maximum extent possible into their remote meter reconfiguration services.²³ JEN did not provide any information in its statement about the extent to which its remote meter reconfigurations are currently automated. United Energy noted in its statement that establishing increased levels of automation for remote reconfigurations would be a significant project which is not currently forecast.²⁴

JEN's proposed remote meter reconfiguration charges will remain constant in 2013 and United Energy's charges will be slightly lower than current levels. The proposed remote meter reconfiguration charges for Powercor and CitiPower will be escalated in line with the CPI.

Consistent with remote re-energisation and de-energisation, the AER considers that the proposed charges comply with Guideline 14. The low volume of AMI remote services provided to date has limited the cost data the DNSPs could use in their statements. The AER expects that, at the next review, DNSPs will be able to collect sufficient data for the AER to consider the cost base more fully.

Therefore, the AER accepts Powercor, CitiPower, JEN and United Energy's proposed charges for remote meter reconfiguration services. The level of batching and automation involved in providing remote reconfiguration services is likely to be easier to ascertain once the AMI remote services market matures and more ongoing costs data is available. For this reason, the AER proposes to re-consider this issue at its next review of AMI remote service charges.

The AER Final Decision: AMI remote service charges indicated the AER would review in 2012 the non-exhaustive list of services attracting a meter reconfiguration charge.²⁵ However, the AER has not considered this issue as part of this current review due to the limited roll-out of AMI remote services to date. The AER expects to revisit this issue at the next review once the AMI roll-out is more advanced.

Remote special meter reads

The AER's 2010–2011 review recognised that remote special meter reads would require some level of manual intervention in the initial years of the AMI roll-out as the DNSPs finalise internal processes to ensure a reliable level of service with minimal risk.²⁶ The AER's final decision noted that the 2012 review would allow for cost reductions achieved through minimising intervention to be passed on to customers from 2013.²⁷

²² AER Final Decision: AMI remote service charges, p. 19.

²³ Powercor, *Submission to the Australian Energy Regulator: Alternative Control Services - Advanced metering infrastructure: remote metering services*, 14 September 2012, p. 5 and CitiPower, *Submission to the Australian Energy Regulator: Alternative Control Services - Advanced metering infrastructure: remote metering services*, 14 September 2012, p. 5.

²⁴ United Energy, *AMI Remote Service Charges Application 2013*, 14 September 2012, p. 10.

²⁵ AER Final Decision: AMI remote service charges, p. 18.

²⁶ AER, Draft decision: *Victorian electricity distribution network service providers AMI remote service charges – Review under ESCV Guideline 14*, November 2010, p. 26.

²⁷ AER Final Decision: AMI remote service charges, p. 13.

Powercor and CitiPower do not currently impose charges for remote special meter reads nor are they seeking to do so in their statements.²⁸ During the last review, JEN and United Energy stated it was their intention to provide remote special meter reads with no manual intervention but were unable to confirm a date when this would occur.²⁹ However, JEN's current statement does not address this issue as it relies upon the cost build ups and explanations provided to the AER as part of its original statement in 2010.³⁰ JEN's proposed remote meter reconfiguration charges will remain constant in 2013. United Energy's statement estimates a reduction in the level of manual intervention for remote special meter reads from 20 minutes to 7 minutes. This has led to United Energy proposing a small reduction in its AMI remote special read charge.

Consistent with the other remote services, the AER considers that the proposed charges comply with Guideline 14. The low volume of AMI remote services provided to date has limited the cost data the DNSPs could use in their statements. The AER expects that, at the next review, DNSPs will be able to collect sufficient data for the AER to consider the cost base more fully.

Therefore, the AER accepts JEN and United Energy's proposed charges for remote special meter reads. The AER considers that the level of manual intervention required to provide these services will be easier to ascertain once the AMI remote services market matures and more data on the DNSP's ongoing costs are available. For this reason, the AER will re-examine this issue at the next review when more costs data is available.

5.2.2 Cost allocation – clause 5.6.2(b)

Clause 5.6.2(b)(1) of Guideline 14 requires that any costs remunerated under a DNSP distribution tariff cannot be classed as costs incurred by the DNSP in providing the excluded service. DNSPs must also appropriately allocate shared or common costs under clause 5.6.2(b)(2).

Powercor, CitiPower, JEN and United Energy's approach to cost allocation is consistent with that taken during the last review of AMI remote service charges.³¹ The AER considers the DNSPs satisfy the requirement in clause 5.6.2(b).

5.2.3 Cost differentials – clause 5.6.2(c)

Clause 5.6.2(c) requires DNSPs to propose charges that are the same for all customers unless there is a material difference in the costs of providing the excluded service to different customers or classes of customer.

²⁸ As explained at the time of the last review this is on the basis that this type of remote service would be provided if requested by a customer's energy retailer – see AER, Draft decision: *Victorian electricity distribution network service providers AMI remote service charges – Review under ESCV Guideline 14'*, November 2010, p. 12.

²⁹ *AER Final Decision: AMI remote service charges*, p. 13.

³⁰ JEN attached these documents to their application. They have been provided to the AER on a confidential basis – see JEN, *Remote AMI service charges for approval by the AER*, 14 September 2012, p. 5.

³¹ AER, Draft decision: *Victorian electricity distribution network service providers AMI remote service charges – Review under ESCV Guideline 14'*, November 2010, pp. 28-29, *AER Final Decision: AMI remote service charges*, p.20.

Powercor, CitiPower, JEN and United Energy have proposed the same charges for all customers. This is consistent with the approach to cost differentials taken by these DNSP during the last review.³² The AER considers the DNSPs satisfy the requirement in clause 5.6.2(c).

5.2.4 Simplicity – clause 5.6.2 (d)

Clause 5.6.2(d) requires any proposed charges and terms and conditions to be simple and easy to comprehend. The AER considers that the statements submitted by Powercor, CitiPower, JEN and United Energy meet this requirement.

5.2.5 Conclusion

In summary, the AER considers that the charges proposed by Powercor, CitiPower, JEN and United Energy satisfy the requirements of Guideline 14. These are set out in table 5.5 below.

Table 5.5 AMI remote services: charges for 2013 (excluding GST)³³

(\$2012)	Powercor	CitiPower	JEN	United Energy
Remote re-energisation	5.72	5.72	5.46	6.08
Remote de-energisation	5.721	5.72	5.46	5.71
Remote meter reconfiguration	30.31	30..31	34.52	32.00
Remote special meter read	N/A	N/A	1.62	0.75

The approved charges in this draft decision are similar to the current charges imposed by DNSPs for AMI remote services. This reflects the AMI remote services volumes and the fact DNSPs have been unable to collect sufficient data for a proper consideration of the cost base for these services. Primarily, the low volumes can be attributed to the small numbers of retailers offering remote services.

5.3 Duration of charges

The charges for AMI remote serves determined by the AER in this decision would apply from 1 January 2013 until further amended by the AER.

³² AER, Draft decision: *Victorian electricity distribution network service providers AMI remote service charges – Review under ESCV Guideline 14*, November 2010, p. 29, *AER Final Decision: AMI remote service charges*, p.20.

³³ The AER has converted the proposed charges of Powercor, CitiPower and JEN into (\$2012).

The low volumes of AMI remote services has meant that Victorian DNSPs have been unable to collect sufficient data for a proper consideration of the cost base for these services on an ongoing basis.

The AER will seek further information from the DNSPs in 2013 on the extent of the roll-out of AMI remote services. The AER expects that as the AMI roll-out progresses towards completion by the end of 2013, and more retailers are in a position to offer these services, DNSPs should be able to collect more information about the actual costs involved in providing AMI remote services. This will allow the AER to conduct a fuller assessment of existing charges at the time of the next review.

5.4 Terms and conditions

Powercor and CitiPower's proposed new terms and conditions contain separate clauses for each AMI remote service. This is a change from Powercor and CitiPower's existing terms and conditions which apply to both manual and remote energisation and meter reconfigurations.

The AER notes that the changes proposed by Powercor and CitiPower are not substantive and the descriptions used for remote meter re-configuration, remote re-energisation and de-energisation are consistent with the AER's previous decision. JEN and United Energy in their statements proposed using the same terms and conditions that currently apply to AMI remote services.

The AER has formed the view that the terms and conditions proposed by Powercor, CitiPower, JEN and United Energy comply with Guideline 14. Each DNSP's terms and conditions appear simple, easy to comprehend and consistent with the principles set out in clause 5.6 of Guideline 14. Accordingly, the AER proposes in this draft decision that these terms and conditions would apply to the provision of AMI remote services from 1 January 2013 and continue until further amended by the AER. The terms and conditions for each DNSP are set out in appendix A.

The AER seeks submissions from stakeholders, including users of AMI remote services, on the fairness and reasonability of the proposed terms and conditions. The AER will take any submissions into account when considering its final decision.

Appendix A

Powercor and CitiPower

The following terms and conditions will apply to the provision of remote re-energisation, de-energisation, and meter reconfigurations for Powercor and CitiPower customers and take effect from 1 January 2013 and will apply until further amended by the AER.

Remote Meter Re-Configuration

The Remote Meter Configuration charge applies when a request is received to modify the metering arrangements in the case where smart metering and related infrastructure are in place.

A meter configuration is a change to the software in the meter that enables changes to parameters for a specific meter function. Examples of meter reconfigurations include:

- Changing the switching times for controlled loads
- Changes associated with the installation of embedded generation and / or the premium feed in tariff
- Implementation of supply capacity.

Meter configuration, will cover metrology and other modification to meter settings.

Remote De-energisation

The Remote De-energisation charge applies when a request is received to de-energise a customer that has smart metering and related infrastructure is in place.

Remote de-energisation is defined as the use of the AMI/smart metering infrastructure communications system to control a supply contactor inside the meter such that the customer is disconnected from the DNSP's network (also referred to as 'disconnection')

Remote Re-energisation

The Remote Re-energisation charge applies when a request is received to re-energise a customer that has smart metering and related infrastructure is in place.

Remote re-energisation is defined as the use of the AMI/smart metering infrastructure communications system to control a supply contactor inside the meter such that the customer is connected to the DNSP's network (also referred to as 'connection')

JEN

For JEN customers, the terms and conditions for providing AMI remote services are the same as the terms and conditions in section 4.2 of the Use of System Agreement between JEN and their retailer, and will take effect from 1 January 2013 and will apply until further amended by the AER.

The Retailer shall be deemed to have requested the Distributor to provide Distribution Services in respect of a Customer as follows:

a. in respect of UoS Services and the Excluded Services specified in Schedule 1, whilst a person is a Customer in relation to a Supply Point which is connected to the Distributor's Distribution System; and

b. in respect of any other Excluded Services, when the Retailer requests the Distributor to provide those services or confirms the Customer's request for the provision of those services, provided that:

if the Customer was receiving any of those other Excluded Services from another electricity retailer

immediately prior to the time that it became a Customer, the Retailer will be deemed to have requested the Distributor to provide those services in respect of that Customer at the time that it became a Customer.

c. Where a person who was receiving any Excluded Service to which clause 4.2(b) applies becomes a Customer, the Distributor shall notify the Retailer of the Excluded Services which the Customer is receiving to which clause 4.2(b) applies. The notification may be provided in the next invoice provided by the Distributor to the Retailer for Distribution Service Charges in accordance with this agreement or otherwise, as soon as practicable.

d. Where a person who becomes a Customer occupies premises to which Excluded Services were provided immediately prior to that person commencing to occupy the premises, the Retailer must notify the Distributor if it becomes aware that the Customer does not wish to be provided with those Excluded Services. If requested by the Distributor, the Retailer must make enquiries with the Customer and notify the Distributor if the Customer does not wish to be provided with the Excluded Services within 30 Business Days of the request by the Distributor.

United Energy

For United Energy customers the following section from their Schedule of Charges for 2011 relating to alternative control services will take effect as terms and conditions for AMI remote services from 1 January 2013 and will apply until further amended by the AER.

The performance of the work is subject to UED's capacity and agreement to undertake the work. Where requests exceed the capacity of our resources it may be necessary to negotiate a delay in performing the works, or arrange for an alternative service provider. After-hours rates will apply for work

performed outside of normal United Energy Distribution business hours, which includes weekends and public holidays. Charges for work performed after hours include award overtime and call back provisions. When a charge is recorded as recoverable work (RW), RW rates and award penalty rates apply. Major works on large commercial or industrial installations, blocks or flats and Current Transformer (CT) operated metering are charged at RW rates. Customers who wish to deal directly with UED or its approved service providers rather than through a retailer and who do not have an established account, are required to forward payment, or agreement for payment in advance of any works being performed along with the associated documentation including any technical prerequisites, for example Electrical Work Request (EWR) or Field Works Order (FWO) and a Certificate of Electrical Safety (CES) that the type of service requested may require.