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Patrick Walsh
Utilities Commissioner
Utilities Commission
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DARWIN NT 0801

Dear Dr Walsh

Proposed amendments of the Electricity Retail Supply Code

In April this year, Power and Water Corporation (PWC) submitted a formal request to the Utilities Commission (the Commission) for the Electricity Retail Supply Code (the Code) to be amended. PWC requested the code be amended to better accommodate the changes to the NT electricity sector including the structural separation of PWC, the introduction of a wholesale market and the entrance of new retailers.

Recently the Commission released a consultation paper along with PWC submission to market participants for comment. I am now writing to respond to the Commission's paper and provide further clarification on PWC's areas for consideration (Attachment A). This attachment is suitable for public release.

Please contact Ms Jodi Triggs, Senior Executive Manager Compliance, Regulation and Market Services, on (08) 8985 8456 should you have any further questions or require further information.

Yours sincerely



Michael Thomson
Chief Executive

September 2016

**Response by Power and Water Corporation to the Utilities
Commission's Consultation Paper on the application to
amend the Electricity Retail Supply Code**

September 2016

The following paper responds to the Utilities Commission's (UC) consultation paper and provides further clarification on Power and Water Corporation's (PWC) areas for consideration.

Separation of Duties - Market data

PWC would like to provide further clarification on the proposed role of the Market Operator as a facilitator and emphasise the separation of roles between:

- 1) the creation of data and updating of systems; and
- 2) the facilitation of access to the data.

The Market Operator/AEMO's role relates to the transfer process and to facilitate the provision of access for retailers and market participants to standing data. This is separate to that of initially recording the connection including the recording of standing data and the creation of NMIs, which remains with the DNSP/MDP (Power Networks). It provides the Market Operator a key role in ensuring retailers have appropriate access to data, which may result in the introduction of MSATS or equivalent to facilitate this in the future.

Further to add if the MO was at some point to become a separate legal entity from PWC then any access to Network Systems would need to be phased out. The MO would then only have access to the relevant data provided through MSATS or equivalent market systems.

Providing Standing Data for Accumulation Meters

Section 2.15 of the consultation paper suggests that standing data for accumulation meters will not be required unless Clause 5.1.1 of the Code is amended. However, although accumulation meters are currently unable to transfer to alternative retailers, PWC receive a significant number of standing data requests for this meter category. This highlights that a standing data solution is required regardless of any changes to Clause 5.1.1.

Customer Transfers occurring Mid-Month

PWC has adopted the UC's view that greenfield sites can sign up midmonth with their chosen retailer. This is however limited to sites where no meter or previous connection has been in place thus falling under Clause 8.2.9 (b) (i) rather than 8.2.9 (a).

This does however raise issues regarding a new customer at an existing site. Currently the Code references "Customer Transfers" and adopts the *Electricity Reform Act's* definition of the customer as:

customer means a person who receives, or wants to receive, a supply of electricity for final consumption and includes:

- (a) *the occupier for the time being of a place to which electricity is supplied;*

- (b) where the context requires – a person seeking an electricity supply; and*
- (c) a person of a class declared by the Regulations to be customers.*

With this definition in mind is it considered a transfer if a new customer signs up for the first time at an existing site? For example:

1. Customer A is signed up with Retailer A
2. Customer A sells the property and finalises their account
3. Customer B has purchased the property and signs up with Retailer B

Historically PWC has interpreted the Code's intention to be that transfers relate to a site (NMI) rather than the customer signed up with a retailer at that site ie for the example above, Retailer B would have been required to submit a transfer request which would then only be actioned at midnight of the last calendar day of the month. Clarification of this issue would be appreciated.

If PWC's current application of the Code is inconsistent with the UC's interpretation then there are significant issues for the Market Operator's settlement system. The current settlement system has not been developed to facilitate mid-month site transfers and would require modifications at significant cost.

PWC would like to specify that the current settlement system inability to facilitate mid-month customer transfers only relates to existing sites with a new customer, whereas greenfield sites with new NMI creations could be facilitated in the current system.

Requirement interval metering

Should the UC remove the requirement for an interval meter (remotely read) for customer transfers, a number of amendments would need to be made to the market settlement arrangements. A co-ordinated implementation of the revised Code and amended market rules would be required.

There may be more cost effective options to remove barriers to entry such as smart meter rebates that could be investigated.

Should the requirement be removed it would increase the complexity of the settlement process at significant cost in both systems and ongoing resource requirements. The Market Operator would also suggest that the timing be co-ordinated with the adoption of a NT metering framework or a NEM compliant meter data solution.