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Our Ref:

Michael Seery
Independent Pricing and Regulatory Tribunal
Level 2, 44 Market St.
Sydney
2000

31/5/02

Dear Michael

Re : Review of Initial Metrology Procedures

PIAC wishes to submit some brief comments to the Tribunal with regard to changes to the NSW Metrology Procedure authored by the NSW Treasury. While the proposals appear largely to deal with minor, technical changes we would like to ensure that the views of low-income households continue to be heard with respect to metrology. We hope this will assist the Tribunal and the industry.

These comments are, however, limited to only some of the proposed changes. It appears to us that in a number of respects **an** amended Procedure will have little or no impact on the circumstances of domestic electricity users. In at least one case PIAC would have been happy to provide specific comments on the proposed change but found the explanation provided by Treasury to support their proposal did not assist us to understand what was intended. We note, furthermore, that our consultations with industry stakeholders suggests they equally are uncertain as to the nature of the proposed change.

The proposal to amend the Procedure with respect to the use of sample meters is more clearly made out. Given our long standing support for the use of load profiling for customer billing and settlement, PIAC is pleased that Treasury have identified the need to preserve the integrity of the various domestic net system load profiles. A requirement that sample meters used to establish the profiles be settled on **an** accumulation basis is **an** important change to ensure the effective operation of the Metrology Procedure.

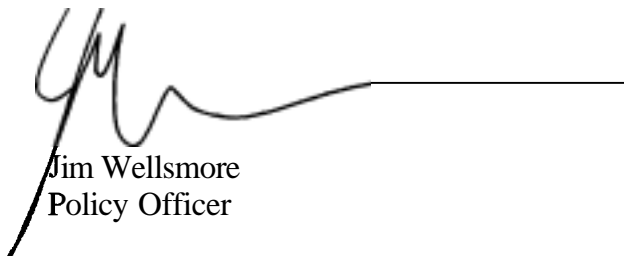
In principle PIAC supports the proposal for an additional profile to be created in some network areas to deal with the use of controlled load in OP2. PIAC had expected that the pricing proposals recently presented to the Tribunal by EnergyAustralia to alter the OP2 tariff would deal with the problem identified by Treasury of incorrect price signals being given to customers. On the other hand, a discreet profile for OP2 controlled load should enable a better understanding of the costs associated with this particular demand.

The only qualification we would suggest is that some work might be undertaken prior to the introduction of a new profile to ensure that the benefits of additional information will outweigh any costs in designing and maintaining the OP2 profile. This may be a matter for 'case by case' judgement with respect to each network.

We trust these comments will assist the Tribunal is dealing with the changes proposed for the Metrology Procedures.

Yours sincerely

Public Interest Advocacy Centre

A handwritten signature in black ink, appearing to be 'JW', is written over a horizontal line. The signature is stylized and cursive.

Jim Wellsmore
Policy Officer