

<b>Reference number(s)</b>	<b>027 - Meter Resealing by Traders and Distributors</b>
Relevant clause(s)	<p>Clause 10.12 – Interference with metering installation</p> <p>Clause 47 of Schedule 10.7 – Sealing requirements</p> <p>Clause 48 of Schedule 10.7 – Removal or breakage of seals</p>
Problem definition	<p>Clause 47 of Schedule 10.7 requires an ATH to ensure, before it certifies a metering installation, that each metering component in the metering installation that could reasonably be expected to affect the accuracy or reliability of the metering installation is sealed. This is to enable any tampering with one of these components to be easily identified and promptly corrected.</p> <p>Metering components with broken seals can have their integrity and accuracy adversely affected, which increases the risk of unaccounted for energy at the site of the metering installation. This unaccounted for energy adversely affects the accuracy of market settlement and customer invoicing.</p> <p>Clause 10.12 of the Code prohibits a participant from interfering, directly or indirectly, with a metering installation for which it is not the MEP, unless:</p> <ul style="list-style-type: none"> <li>a) it is instructed or permitted to do so by the metering equipment provider (MEP) responsible for the metering installation; or</li> <li>b) the participant has an arrangement with the trader responsible for the metering installation as the gaining MEP who will be responsible for the metering installation.</li> </ul> <p>Despite clause 10.12, clause 48(1) of Schedule 10.7 requires a participant to, within 10 business days of removing or breaking the seal without authorisation of the MEP responsible for the metering installation,—</p> <ul style="list-style-type: none"> <li>a) advise the MEP of— <ul style="list-style-type: none"> <li>i) the removal or breakage</li> <li>ii) the reason for the removal or breakage</li> </ul> </li> <li>b) reimburse the MEP for the cost of reinstating the seal and recertification if required by the MEP.</li> </ul> <p>Clause 48 of Schedule 10.7 recognises that it is not always practicable for participants to comply with clause 10.12. It is common practice for:</p> <ul style="list-style-type: none"> <li>a) traders to break seals to disconnect and then reconnect a metering installation when it is not possible to disconnect the ICP at the point of connection, because: <ul style="list-style-type: none"> <li>i) there is no safe access to the point of connection; or</li> <li>ii) the correct ICP's point of connection cannot be accurately identified</li> </ul> </li> <li>b) traders and distributors to break the seal on a load control device for urgent fault remediation.</li> </ul> <p>Often the field technician breaking or removing seals at a metering installation for a trader or distributor:</p>

	<ul style="list-style-type: none"> <li>a) is the same person the MEP responsible for the metering installation uses, but is not working under the MEP’s authority or direction when the seals are broken or removed</li> <li>b) has sufficient skills and knowledge to ensure the metering installation remains accurate.</li> </ul> <p>However, traders and distributors are often not advising MEPs when they break or remove seals on a metering installation. This places the trader or distributor in breach of clause 48(1) of Schedule 10.7. Traders and distributors have informed the Authority they are not advising MEPs because the reporting requirements under clause 48 of Schedule 10.7 are administratively cumbersome.</p> <p>The Authority has identified the following problems with the Code arrangements and the industry practice described above.</p> <p><u>Problem 1 – The Code is imposing unnecessary transaction costs on participants and the Authority</u></p> <p>Clause 10.12 envisages the MEP that is responsible, or that is becoming responsible, for a metering installation will always authorise the breaking or removal of seals at a metering installation.</p> <p>Clause 48 of Schedule 10.7 acknowledges it is not always practicable for participants to comply with clause 10.12. However, clause 48 of Schedule 10.7 is imposing material transaction costs on participants who, for valid reasons, are:</p> <ul style="list-style-type: none"> <li>a) breaking or removing seals at metering installations; or</li> <li>b) authorising the breaking or removal of seals at metering installations.</li> </ul> <p>Some of these participants have decided it is lower cost to breach the Code than to comply with it. These breaches are imposing compliance costs on the participants and on the Authority’s compliance function.</p> <p><u>Problem 2 – MEPs risk being held responsible/liable for metering data inaccuracies caused by traders and/or distributors</u></p> <p>Under the current industry practice, MEPs risk being held responsible/liable for issues caused by traders or distributors.</p> <p>This can impose unnecessary costs on participants and the Authority, and eventually on consumers. For example, the Authority must consider alleged breaches against MEPs that result from a trader or distributor interfering with a metering installation.</p>
Proposal	<p>To address the first identified problem, the Authority proposes to:</p> <ul style="list-style-type: none"> <li>a) amend clause 10.12 to permit a participant to interfere with a metering installation if the participant is breaking or removing a seal in accordance with clause 48 of Schedule 10.7</li> <li>b) amend clause 48(1) so it: <ul style="list-style-type: none"> <li>i) permits a distributor to break or remove a seal for bridging/unbridging a load control device (excluding any device that controls a time blocked channel, eg, day/night, as this would affect the accuracy of the meter readings and market</li> </ul> </li> </ul>

settlement) only where the distributor provides the load control signal. The distributor must then notify the trader, and the trader must update the profile code in the registry (refer to clause 10 of Schedule 11.1) if required.

- ii) permits a trader to break or remove a seal for bridging/unbridging a load control device (but not a device that controls a channel – eg day/night, as this would affect the accuracy of the meter readings and market settlement), and then require the trader to update the profile code in the registry (refer to clause 10 of Schedule 11.1) if required.
- iii) permits a trader to break or remove a seal:
  - A) for electrical disconnection/electrical connection of the load or generation measured by the meter as a last resort, including if it is not possible to electrically disconnect/electrically connect at the point of connection
  - B) for bridging meters (assuming the Authority amends the Code to permit meter bridging: refer to proposed Code amendment 051 – Meter Bridging).
- c) amend clause 19 of Schedule 10.7 to say that the certification of a metering component or a metering installation does not automatically cancel if clause 48(1) is complied with.

In all cases:

- a) The participant must ensure the field technician has appropriate training (eg, including an overview of how the metering installation works, and how mistakes can affect the metering installation's accuracy). This is because of the importance of metering accuracy to electricity market settlement and consumer billing. The Authority will amend the audit template used for reconciliation participant audits and distributor audits, to include proof of training in these audits.
- b) The participant must replace the seal with its own seal and have a process for tracing the new seal to the field technician. This is because of the importance of seal traceability to ensuring the accuracy of the metering. The Authority will amend the audit template used for reconciliation participant audits and distributor audits, to include seal traceability in these audits.
- c) Traders are liable, from the date a seal was removed at a metering installation, for market wash-up costs related to inaccuracies with the metering component that were caused by the work at the ICP. In other words, traders cannot pass on any costs to the customer or the MEP at the ICP.

To address the second identified problem, the Authority proposes to amend clause 48 of Schedule 10.7 to absolve an MEP/ATH from liability under the Code for any breach related to the metering component if:

- a) another participant has broken a metering component's seal
- b) the MEP/ATH can prove the seal was intact when the MEP/ATH

Proposed Code amendment	<p>last performed work at the metering installation.</p> <p><b>Part 1 – Preliminary provisions</b></p> <p><b><u>time block meter channel</u></b> means a <b>meter channel</b> where:</p> <ul style="list-style-type: none"> <li>(a) <u>the volume of <b>electricity</b> conveyed is recorded on two or more registers; and</u></li> <li>(b) <u>each register is active for a fixed period of time; and</u></li> <li>(c) <u>only one register is active at any point in time</u></li> </ul> <p><b>10.12 Interference with metering installation</b></p> <p><u>Subject to clause 48 of Schedule 10.7, Aa <b>participant</b> must not directly or indirectly interfere with a <b>metering installation</b> for which it is not the <b>metering equipment provider</b>, unless—</u></p> <ul style="list-style-type: none"> <li>(a) it is instructed or permitted to do so by the <b>metering equipment provider</b> responsible for the <b>metering installation</b>; or</li> <li>(b) the <b>participant</b> has an arrangement with the <b>trader</b> responsible for the <b>metering installation</b> as the <b>gaining metering equipment provider</b> who will be responsible for the <b>metering installation</b>.</li> </ul> <p><b>Schedule 10.7      Metering installation requirements</b></p> <p>...</p> <p><b>19      Modification of metering installations</b></p> <p>...</p> <p><u>(3C) Despite subclauses (1) and 2(b), the <b>certification</b> of a <b>metering installation</b> is not cancelled if clause 48(1A) to (1H) of Schedule 10.7 applies.</u></p> <p>...</p> <p><b>20      Cancellation of certification of metering installation</b></p> <p>(1) The <b>certification</b> of a <b>metering installation</b> is automatically cancelled on the date on which any 1 of the following events takes place:</p> <ul style="list-style-type: none"> <li>(a) the <b>metering installation</b> is modified otherwise than under clause 19(3), 19(3A), <del>or 19(6)</del> <u>19(3B), or 19(3C)</u>:</li> </ul> <p>...</p> <p><b>48      Removal or breakage of seals</b></p> <p>...</p> <p><u>(1A) Despite clause 10.12, a <b>distributor</b> may interfere with the metering installation without authorisation of the <b>metering equipment provider</b> responsible for the <b>metering installation</b>, to reset a load control device or bridge or unbridge a load control device, if—</u></p>
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(a) the load control device does not control a **time block meter channel**; and

(b) the **distributor** provides the load control signal to the load control device.

(1B) A **distributor** that removes or breaks a seal in accordance with subclause (1A) must—

(a) ensure that the personnel it uses to remove or break the seal are qualified or trained to a level sufficient to ensure that they can safely remove or break the seal, bridge and unbridge the load control device, and replace the seal, in accordance with this Code; and

(b) replace the seal with its own seal and have a process for tracing the new seal to the personnel that removed or broke the seal on the **distributor's** behalf; and

(c) advise the **trader** responsible for the **ICP** at which the **metering installation** is located if the load control device has been bridged or unbridged.

(1C) A **trader** that is advised under subclause (1B)(c) must, if required, advise the **registry manager** of the updated **profile** code for the **ICP** in accordance with clause 10 of Schedule 11.1.

(1D) Despite clause 10.12, a **trader** may remove or break a seal without authorisation of the **metering equipment provider** responsible for the **metering installation**, to reset a load control device or bridge or unbridge a load control device, if the load control device does not control a **time block meter channel**.

(1E) Despite clause 10.12, a **trader** may remove or break a seal without authorisation of the **metering equipment provider** responsible for the **metering installation**—

(a) to **electrically connect** the load or **generation** measured by the **meter** if the load has been **electrically disconnected** at the **meter**; or

(b) to **electrically disconnect** the load or **generation** measured by the **meter** if the **trader** has exhausted all other appropriate methods of **electrical disconnection**; or

(c) to bridge the **meter**; or

(d) to unbridge the **meter**.<sup>1</sup>

(1F) A **trader** that removes or breaks a seal in accordance with subclause (1D) or (1E) must—

(a) ensure that the personnel it uses to remove or break the seal are qualified or trained to a level sufficient to ensure that they can safely remove or break the seal, perform the permitted work described in subclauses (1D) and (1E), and replace the seal, in accordance with this Code; and

<sup>1</sup> Note the insertion of new subclause (1E)(c) and (d) is subject to proposal 028 - Meter bridging.

	<p>(b) <u>replace the seal with its own seal and have a process for tracing the new seal to the personnel that removed or broke the seal on the <b>trader's</b> behalf; and</u></p> <p>(c) <u>if required, advise the <b>registry manager</b> of the updated <b>profile</b> code for the <b>ICP</b> in accordance with clause 10 of Schedule 11.1.</u></p> <p>(1) Despite clause 10.12, a <b>participant</b> who removes or breaks a seal without authorisation of the <b>metering equipment provider</b> responsible for the <b>metering installation</b> and not in accordance with subclauses (1A) to (1F) must, within 10 <b>business days</b> of removing or breaking the seal,—</p> <p>(a) advise the <b>metering equipment provider</b> of—</p> <p>(i) the removal or breakage; and</p> <p>(ii) the reason for the removal or breakage; and</p> <p>(b) reimburse the <b>metering equipment provider</b> for the cost of reinstating the seal and <b>recertification</b> if required by the <b>metering equipment provider</b>.</p> <p>...</p> <p>(8) <u>If a person removes or breaks a seal without authorisation of the <b>metering equipment provider</b> responsible for the <b>metering installation</b>, or not in accordance with subclauses (1A) to (1F), the <b>metering equipment provider</b> or the <b>ATH</b> responsible for <b>certifying the metering component</b> are not liable for any breach of this Code that results from the person's actions, provided the <b>metering equipment provider</b> or <b>ATH</b> can prove the seal was not removed or broken when the <b>metering equipment provider</b> or <b>ATH</b> last performed work at the metering installation.</u></p>
<p><b>Assessment of proposed Code amendment against section 32(1) of the Act</b></p>	<p>The proposed Code amendment is consistent with the Authority's objective, and section 32(1)(c) of the Act, because it would contribute to the efficient operation of the electricity industry.</p> <p>It would do this by removing unnecessary costs, in particular compliance costs, on:</p> <p>a) Participants that, for valid reasons, are:</p> <p>i) breaking or removing seals at metering installations; or</p> <p>ii) authorising the breaking or removing of seals at metering installations,</p> <p>but follow the prescribed process to ensure the metering installation remains accurate</p> <p>b) Participants and the Authority, from MEPs incorrectly being held responsible/liable for issues caused by traders or distributors or consumers.</p> <p>The proposed Code amendment is expected to have little or no effect on competition or reliability of supply, because it reflects common practice in the electricity industry.</p>
<p><b>Assessment against</b></p>	<p>The Authority is satisfied the proposed Code amendment is consistent with</p>

<b>Code amendment principles</b>	the Code amendment principles, to the extent they are relevant.
Principle 1: Lawfulness.	The proposed Code amendment is consistent with the Act, as discussed above in relation to the Authority's statutory objective and the requirements set out in section 32(1) of the Act.
Principle 2: Clearly Identified Efficiency Gain or Market or Regulatory Failure	The proposed Code amendment is consistent with principle 2 in that it addresses an identified efficiency gain, which requires a Code amendment to resolve.
Principle 3: Quantitative Assessment	Please refer to the assessment of costs and benefits in section 3 of the consultation paper.
<b>Regulatory statement</b>	
Objectives of the proposed amendment	The objective of the proposal is to remove unnecessary costs, particularly compliance costs on participants and the Authority in relation to the removing or breaking of seals at metering installations, while ensuring that the metering installation remains accurate.
Evaluation of the costs and benefits of the proposed amendment	Please refer to the assessment of costs and benefits in section 3 of the consultation paper.
Evaluation of alternative means of achieving the objectives of the proposed amendment	The Authority has not identified an alternative means of achieving the objectives of the proposed Code amendment.