24 October 2014

Jackie Krizmanic
Australian Energy Market Operator
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Email: NEM.MDP@aemo.com.au

Dear Ms Krizmanic

Notice of first stage of consultation on Meter Churn Package

Origin Energy welcomes this opportunity to respond to AEMO's first round consultation on the alignment of Meter Churn Procedures with the National Electricity Rules (NER).

Origin does not believe the proposed changes support either existing practices common among market participants or the need for flexibility with respect to meter upgrades in the future as chapter 7 of the NER undergoes significant revision to support the recommendations of the *Power of Choice* (PoC) review.

The proposed procedures, while achieving the goal of alignment, run the risk of:

- Creating disruption for customers re-contracting or renewing supply arrangements given the implementation date of December this year, particularly for large customers;
- Impacting upon retail systems and retailer's ability to manage the obligations under the proposed procedure on current business as usual practices; and
- Undermining the objective of expanding competition in metering services and encouraging commercial deployment of smart meters set out in the PoC recommendations and the associated policy responses and rule change requests submitted by the Council of Australian Government's Energy Council (the EC).

Given the material review of chapter 7 that will arise from the PoC rule changes and the truncated timeframe to implement the proposed procedures, Origin would strongly recommend that AEMO place this consultation on hold until clarity on the consequences of alignment with the NER is available.

In addition to the impact on large (>160MWh per annum) customers in the immediate term, aligning the procedures with the rules may have unforseen consequences in the context of the evolving contestable meter market. While noting the imperfect nature of existing business as usual approaches, Origin considers that industry generally manages the existing misalignment effectively and the motivation for the rule change has originated from the Australian Energy Regulator, rather than customer or market participant complaints.

The implications for forthcoming rule changes may be significant, and any change to the Meter Churn Procedures need to be examined in this context.

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Origin would ask that this correspondence be considered alongside our completed response template. Should you have any questions please contact Mario Iogha, Manager Market Data on (03) 9821 8213.

Yours sincerely

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