



Extension of Victorian Full Retail Competition Derogations

Submission by:

Trans Tasman Energy Group

on behalf of

Retirement Villages Association

May 2004

Foreword

The RVA (Victoria and Tasmania Region) has recognised that many retirement village residents can potentially benefit by their village becoming embedded networks and that if those residents were to have input into the successful development of the embedded networks process then the RVA would be best placed to co-ordinate their representation.

On behalf of its members, and the many thousands of retirement village residents, the RVA determined that they should respond to the request for submissions relating to the State of Victoria application to the National Electricity Code Administrator (NECA) for an extension of the existing Victorian derogations which grant exclusivity for the provision of metering services by distribution businesses in Victoria.

Following the request for comment by the Australian Competition and Consumer Commission (ACCC), regarding the application by (the state of) Victoria for an extension to a derogation contained in Chapter 9 of the Code, the RVA commissioned energy consultants Trans Tasman Energy Group (TTEG) to assist with this Submission and future representation.

In this regard, Trans Tasman Energy Group (TTEG) lodges this Submission with the Australian Competition and Consumer Commission (ACCC) on behalf of the Retirement Villages Association, Victoria (RVA).

The implementation of embedded networks in situations such as retirement villages can represent one of the best demonstrations of the success of reform and retail competition in the electricity industry and as part of the establishment of embedded networks Embedded Network Operators (ENO) frequently install meters and meter reading systems that read all meters in the embedded network in a cost effective and accurate manner.

This Submission proposes that the extension to the derogations as requested by (the state of) Victoria be varied to provide for the provision of metering services for electricity consumers within embedded networks by parties other than the distribution businesses.

The RVA supports choice of electricity retailer for consumers including the right to choose either an exempt retailer or another retailer in cases where the consumer's village has become an embedded network, and the RVA supports the right of consumers within embedded networks to utilise metering services that may be available to them and which will not encumber them with otherwise unnecessary costs that would diminish competition in their choice of electricity retailer whether it be the exempt retailer or another retailer.

The support funding from the Advocacy Panel of the National Electricity Code for RVA representation in this matter is gratefully acknowledged as it has enabled this Submission to be prepared.

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The RVA via TTEG would also like to contribute in a constructive manner and ongoing basis to the resolution of issues related to embedded networks and retailer choice and wishes to be regarded as an interested party in all future actions regarding this matter.

We trust our Submission and the issues we have raised will assist the ACCC in considering the application for extension of the Victorian derogation.

About The Retirement Villages Association (RVA)

The Retirement Village Association Ltd is the peak industry body for the retirement village industry. Active in all states of Australia, the RVA supports and promotes its members and retirement living lifestyles by providing advice and assistance, products and services to retirement villages and their residents. The RVA website at <http://www.rva.com.au> provides further information about its activities.

The RVA represents the interests of more than 300 retirement villages nationally and in this matter represents the interests of many thousands of retirement village residents who would potentially benefit from their villages becoming embedded electricity networks.

Retirement villages vary greatly from village to village with many models and styles of villages. Accommodation options, services and facilities vary from place to place, however typically a village may include many (up to 500) independent living units or "Villas" which may comprise one, two, three and even four bedrooms, plus a number of "Serviced Apartments" with personal care and meals provided and sometimes some higher care accommodation facilities. Usually the village will include "Communal Facilities" that may include dining and socialising facilities, medical and personal care services, mini shops, craft and garden centers, bowling greens, croquet, swimming pools, gymnasiums and even golf courses.

The mix of resident and "communal" use of electricity in a village provides the opportunity for the village to exercise a degree of bulk buying power which can reduce the cost of electricity directly for residents and indirectly by virtue of lowering costs for operation of the "communal" activities. The net effect of the electricity savings is a welcome saving for residents, the majority of whom are on pensions and fixed incomes.

About TTEG Consultants

Trans Tasman Energy Group Consultants (TTEG) has prepared this Submission in collaboration with Marden Energy Pty Ltd for the Victorian Retirement Village Association.

TTEG Consultants (www.tteg.com.au), provide specialist energy sector advice including commercial and regulatory aspects pertaining to embedded networks.

TTEG's own work on embedded networks supports the view of this Submission.

In working with the Victorian Retirement Village Association and its members for the past two years we advise ACCC that we are well versed in terms of commercial and regulatory aspects pertaining to embedded networks.

Allied Submission – NEMMCO Process

The RVA have recently provided a comprehensive Submission to NEMMCO in response to a NEMMCO discussion paper entitled "Embedded Networks and Retailer Choice" and this Submission is related to some of the issues raised in the RVA Submission.

Process

An extension of the Victorian derogation without consideration of the effect of that extension upon developments in embedded networks particularly (from the perspective of the RVA) in retirement villages, may compromise the right of consumers to choose their electricity retailer and for that reason the RVA considered a Submission of this nature to be appropriate.

The RVA via TTEG would also like to contribute in a constructive manner and ongoing basis to the resolution of issues related to embedded networks and retailer choice and wishes to be regarded as an interested party in all future actions regarding this matter.

Further Assistance

ACCC is invited to seek further comments on any points in this Submission from:

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1 EXECUTIVE SUMMARY

Background to this Submission.

The RVA recognised that many retirement village residents can potentially benefit by their village becoming embedded networks and that if those residents were to have input into the development of the embedded networks process then the RVA would be best placed to co-ordinate their representation.

The RVA have recently provided a comprehensive Submission to NEMMCO in response to a NEMMCO discussion paper entitled "Embedded Networks and Retailer Choice" and this Submission is related to some of the issues raised in the RVA Submission.

An extension of the Victorian derogation without consideration of the effect of that extension upon developments in embedded networks particularly (from the perspective of the RVA) in retirement villages, may compromise the right of consumers to choose their electricity retailer and for that reason the RVA considered a Submission of this nature to be appropriate.

Proposal

The RVA supports the extension of the derogation for electricity consumers with consumption less than 160 MWh per annum in situations where those consumers are not within an embedded network.

This Submission proposes that provision be made within the derogation for an option whereby meter provision and meter reading within embedded networks can be conducted for retailers to second tier customers of the embedded network by appropriately accredited meter providers and data agents who operate systems within the embedded network on behalf of the embedded network operator.

Support for choice of retailer, meter provider and data agent

This Submission supports the right of residents of retirement villages to purchase electricity from their retailer of choice including their own village if it has exempt retailer status.

Facilitation of the ability to purchase electricity from any retailer should not place undue requirements or costs upon the consumer or any of the other stakeholders in the process and in this regard the option to choose the use of the cost effective metering systems that may have been installed by the Embedded Network Operator (ENO) by retailers to second tier customers of the embedded network will eliminate extra costs and imposts upon these customers that may be unnecessary given the infrastructure that is available.

The imposition of these extra costs and imposts are likely to diminish the competitive situation among potential retailers to the second tier customers of the embedded network.

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Minimise administrative costs for stakeholders

To facilitate competition, administrative costs and obligations should be kept to a minimum whilst maintaining the integrity of the market process and the utilisation of available systems within embedded networks may remove some of the administrative processes involved in retailing to second tier customers of embedded networks which in turn will reduce barriers to competition among retailers. It may also reduce costs to the distributors which may as a result reduce incentives for distributors to seek to apply special network tariffs for these customers.

The RVA via Trans Tasman Energy Group will be pleased to participate in the process of discussion in respect to embedded networks by providing input from a customer's perspective.

2 SUBMISSION OUTLINE

A brief outline of the contents of our Submission is stated below.

Section 3 presents the RVA perspective on the issue particularly as it may relate to retirement villages. The section describes the background to the RVA's involvement and what the RVA is seeking to achieve.

Section 4 provides an explanation of the issues pertaining to the derogation and embedded networks and provides a possible solution for consideration by the ACCC.

Section 5 presents some case studies drawn from actual examples relating to the issue together with some observations about how the cases may benefit the discussion process.

3 SUBMISSION KEY POINTS

In this section we presents the RVA perspectives on the issue particularly pertaining to the derogation as it may relate to retirement villages and identifies what the RVA is seeking to achieve.

3.1 RVA Views

3.1.1 The RVA supports the extension of the derogation for consumers that are not in embedded networks.

The RVA supports the Victorian Government Submission that in the electricity distribution system (other than in embedded networks) metering contestability in the medium term will not be of benefit to customers using less than 160 MWh per year and using type 5, 6 and 7 metering installations and that the practical and economic benefits of making LNSP's responsible for these metering installations is of benefit to full retail contestability and that the metering derogation be extended.

3.1.2 The RVA proposes an exclusion from the derogation for consumers in embedded networks.

The RVA propose that provision be made in the derogation for consumers in embedded networks who would otherwise be covered by the above derogation to have metering services provided by an approved metering services provider that is providing metering services for other consumers within the embedded network.

3.1.3 Retail Competition may be reduced if embedded networks are not excluded from the derogation.

This Submission maintains that denying the opportunity for retailers to second tier customers in embedded networks to become the Responsible Person and to avail themselves of cost effective metering solutions (that may be available) may unreasonably diminishes their competitive situation and reduces the level of competition available to the consumer or in the worst case provide a cost based barrier to competition.

3.2 RVA's interests in these issues

The Retirement Villages Association (Victoria and Tasmania Region) recognises that in certain situations the residents of their villages can benefit by their villages becoming embedded networks and becoming exempt retailers.

The RVA recognises that it is appropriate that these residents have a voice in a discussion process that will guide the future of embedded networks and therefore the RVA has accepted that they should represent the many thousands of retirement village electricity

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consumers who may be affected by the extension of the Victorian derogation in its present form.

Although this Submission has primarily focussed upon the situation of retirement villages as embedded networks and has not specifically addressed embedded networks in other situations, we expect that the concerns raised within our Submission apply in various degrees to other embedded networks.

Residents of retirement villages can in certain situations (e.g. where their village becomes an embedded network and also an exempt retailer) benefit from savings in the cost of electricity and by more flexible management arrangements. The installation of systems for the metering and billing of electricity used within the embedded network is a contributing, and potentially significant, aspect to achieving savings within the embedded network.

This Submission endeavours to present a particular consumer perspective that seeks to maintain the sound and satisfactory operation of the national electricity market but at the same time utilise cost effective metering systems that may be in place for the benefit of first tier customers of the embedded network but which can provide benefits to second tier customers also by minimising or eliminating procedures and cost aspects that:

- reduce competition among energy suppliers to second tier customers of embedded networks, or
- increase network tariffs for those customers, or
- impose unnecessary administrative tasks upon stakeholders in the process.

3.2.1 Reduction of competition among energy suppliers to second tier customers.

The RVA does not want potential energy suppliers to second tier customers of embedded networks within retirement villages to have to charge unnecessary additional costs that will diminish their competitiveness in this sector and that may prompt them to withdraw from competing in this market.

3.2.2 Increases in network tariff for second tier customers of embedded networks.

The RVA does not want second tier customers of embedded networks to incur increased network tariffs as a result of the Local Network Service Provider (LNSP) having to provide metering services in a situation where the provision of those services may not be cost effective.

3.3 First and Second Tier customers of embedded networks.

It is appropriate in the context of this Submission to describe the relationship and roles of stakeholders and consumers involved with embedded networks.

Terminology

To assist with the understanding of the various relationships we have incorporated Figure 1 which reflects the discussion contained in this Submission.

Figure 1: Embedded network and registered distribution network relationship

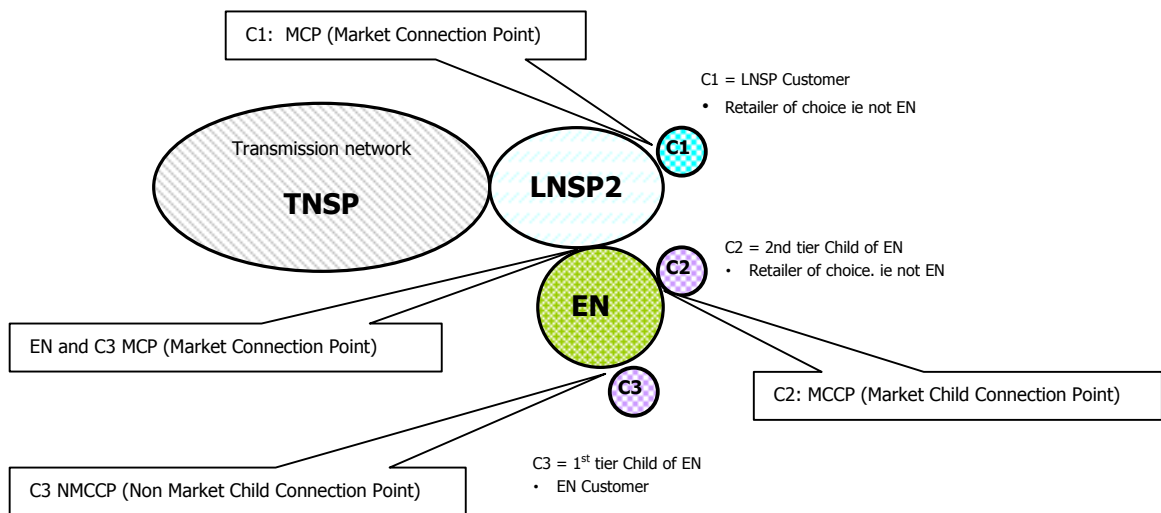


Figure 1 shows that the registered distribution network (LNSP) is connected to the transmission network. The LNSP is connected to customers C1 and also to an embedded network (EN).

Customer C1 represents those customers who are directly connected to the LNSP, and who should be covered by the existing derogation.

The embedded network (EN) is also a customer of the LNSP and is unlikely to be affected by the derogation because consumption by the embedded network will exceed 160 MWh per annum and the site is almost certainly to be a second tier customer.

Customers C2 and C3 represents those customers who are directly connected to the embedded network and hence indirectly connected to the LNSP. The ENO may have a metering system that serves all consumers within the embedded network.

The embedded network owner will provide metering services to the C3 customers (according to jurisdictional policy), with Customer C3 being a 'first tier' customer and supplied by the exempt retailer.

Customer C2 is a 'second tier' customer of the embedded network and supplied by any retailer other than the exempt retailer. The current derogation dictates that the C2 customer must have metering services provided by the LNSP.

Other definitions include:

EN = Embedded Network

ENO = Embedded Network Operator

MCP = Market Connection Point

MCCP = Market Child Connection Point

NMCCP = Non Market Child Connection Point

3.3.1 Connection Points.

The National Electricity Code definition of the Market Connection Point (MCP – refer fig 1) offers a satisfactory definition of the point at which the embedded network is connected to the LNSP and therefore to the NEM and the point at which usage of the entire embedded network is measured by a parent meter.

It is also the effective connection point to the NEM for second tier customers of the embedded network that must have their usage as measured by a child meter subtracted from the parent meter in order to determine net usage of the exempt retailer.

The connection point between a second tier child of the embedded network and the embedded network is not however currently defined within existing Codes. The definition Market Child Connection Point (MCCP) has been proposed for these second tier connection points which are downstream of the parent meter.

A first tier child connection point forms part of the embedded network. The Market Connection Point (MCP – refer fig 1) is therefore the relevant connection point for these participating meters downstream of the parent meter.

For the purposes of ease of discussion a definition has been proposed for the connection point between the first tier child and the embedded network, the definition being "Non-market Child Connection Point".

3.3.2 Metering at connection points.

Meter types

As required by the Code, meters at the Market Connection Point (MCP – refer fig 1) must be type 4 meters which can provide data to the NEM.

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Meters at Market Child Connection Points (C2, NMCCP – refer fig 1) must be type 4 or 5 meters to facilitate like and like subtraction from the parent meter and for the data to be provided to the NEM.

Meters for customers of the exempt retailer (C3, MCCP – refer fig 1) may be type 4, type 5 or type 6 meters at the discretion of the exempt retailer and these meters do not have to provide data to the NEM because their usage has already been measured at the Market Connection Point (MCP – refer fig 1).

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4 PROPOSED DEROGATION VARIATION.

4.1 The current derogation.

The provision of metering services to second tier customers is primarily regulated by the Code under Chapter 7 and relevant considerations as described in the Victorian application¹ are;

- (a) The Code Participant that is responsible for providing, maintaining and installing metering installations for market connection points is the "Responsible Person" (clause 7.2.1)
- (b) A financially responsible Market Participant ("FRMP") – ie. A retailer - can elect to be the Responsible Person (ie. Responsible for providing, maintaining and installing metering installations for market connection points) (clause 7.2.3)
- (c) If the FRMP does not elect to be the Responsible Person, the LNSP is the Responsible Person for metering installations in the LNSP's local area (clause 7.2.2)
- (d) With some exceptions the FRMP for a connection point is responsible for the payment of all costs associated with the provision, installation, maintenance, routine testing and inspection of the metering installation for that connection point (clause 7.3.6).

Victoria has transitional derogations from clauses 7.2.2, 7.2.3, and 7.3.6. These transitional arrangements apply to "second tier" metering installations with meter types 5 and 6 and particularly provide that the LNSP is to be the Responsible Person for Code purposes. The transitional derogations cease to apply on 1 July 2004.

4.2 The situation within embedded networks.

The development of embedded electricity networks to facilitate the metered intermediary sale of electricity by exempt retailers has occurred relatively recently in Victoria with some embedded networks having been established a little over two years and with in excess of ten sites either established or close to being established.

The majority of these embedded networks have installed metering systems that include remote reading of the Child meters to provide consumption data for billing purposes. These metering systems are installed downstream of the Market Connection Point (Parent Meter) and the aggregate consumption measured by the downstream Child metering system can be reconciled against the consumption measured by the Parent meter.

¹ Application to the ACCC –Proposed Derogations to the National Electricity Code –Victorian Full Retail Competition Transitional Metering Arrangements- 30 March 2004

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In many embedded networks the child metering system has type 5 meters installed as child meters and in a number of embedded networks the provider of the metering services is a registered Meter Provider/Meter Data Agent.

This means that embedded networks can have type 5 child meters that are supplied and read by a registered Meter Provider/Meter Data Agent and that if provision were to be made in the derogation then under clause 7.2.3 of the Code a retailer to a second tier customer of the embedded network could elect to be provided with the consumption data for that customer from the Meter Provider/Meter Data Agent.

4.3 The impact of the derogation upon retail competition.

If a consumer (eg C2 – refer fig 1) within the embedded network decides to exercise their right to choose a retailer other than the exempt retailer for the embedded network then they become a second tier customer of the embedded network and under the derogation as it currently stands the Responsible Person for that second tier customer can only be the LNSP.

The LNSP as the Responsible Person can then install a type 5 meter and manually read the meter at a cost to the second tier customer for provision of the meter and reading of the meter.

These costs may be of the order of \$100.00 per year which may represent a 10% increase on a retailer's offer to the customer.

If the derogation was amended to allow the alternative retailer to be the Responsible Person (as per clause 7.2.3 of the Code) and to accept the second tier customers data from the embedded networks own metering system then the cost of obtaining the data may be much less as the metering system is already in place and the meters are read remotely and more cost effectively.

Embedded network operators may be very supportive of the provision of the data to the retailer to the second tier customer for reasons of;

- (a) Supporting retailer choice for consumers in the embedded network including the right to choose the exempt retailer.
- (b) Recognising that some consumers may have no choice at that time because they may be contracted to other retailers and cannot change and the ENO does not want the consumer to be burdened with metering costs from the LNSP that are unnecessary when a much cheaper alternative is available.
- (c) In a situation where an embedded network is created on an established site and consumers do not want to leave or are unable to leave their previous

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retailer then the ENO would not want the consumer to incur extra cost because they did not become a customer of the exempt retailer. In such a case the ENO may choose not charge the previous retailer for the data service.

- (d) Embedded networks (particularly in retirement villages) are generally established with the purpose of providing benefits to the consumers in the embedded network usually in the form of cheaper electricity but also by providing tailored service. For these reasons ENO's are usually confident that at some point in time second tier customers may choose to become first tier customers and so ENO's are likely to encourage providing the meters and data to second tier customers so that if they decide to change to the exempt retailer then the facilities are already in place.

This Submission maintains that denying the opportunity for retailers to second tier customers in embedded networks to become the Responsible Person and to avail themselves of cost effective metering solutions that may be available unreasonably diminishes their competitive situation and reduces the level of competition available to the consumer.

4.4 A possible solution.

This Submission does not attempt to prescribe the changes in the derogation necessary to accommodate the facility being sought as practitioners in that area will be better equipped to do so, however this Submission offers the perspective that the existing derogation should be extended for all Victorian sub 160 MWh sites with the exception of child sites in embedded networks.

Retailers to second tier child sites in embedded networks should be able to become the Responsible Person and contract the meter and data provision to others if the facility is available.

Where the retailer to second tier child sites in embedded networks does not wish to be the Responsible Person or the facilities for type 5 metering are not available for the child, then the LNSP should become the default Responsible Person.

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5 CASE STUDIES

The following Case Studies have been drawn from actual examples that have occurred in the implementation and/or operation of embedded networks.

The details of stakeholders in these examples have not been revealed for reasons of commercial confidentiality and privacy.

5.1 Case A: Cooperative Approach

An Embedded Network Operator (ENO) that had installed remotely read type 5 meters for First Tier Customers of the embedded network expressed their preparedness to provide the same meters for the Second Tier Customers (C2 – refer fig 1) of the embedded network and for the meter reader/data provider to provide data to the LNSP for Second Tier Customers of the embedded network on a basis whereby there would be no cost to the LNSP, the retailer or the customer.

An undertaking was made to ensure that the privacy of the Second Tier Customers would be preserved and that data would be supplied to the LNSP in their desired format.

The LNSP was of the opinion that they were not permitted to accept the ENO's offer. In the example case the meter reader/data provider may not have been registered as such with NEMMCO however other situations exist where the meter reader/data provider is registered with NEMMCO and potentially could either provide the data to the LNSP or to the retailer supplying the Second Tier Customer of the embedded network.

Observation:

The opportunity to utilise the potentially greater flexibility and resources that embedded networks can offer at no cost would have reduced the cost of metering associated with the retailers offer and thereby enhanced retail competition available to the customer.

5.2 Case B: Data Acceptance

In a similar example to the previous Case A the retailer supplying less than 10 Second Tier Customers in an embedded network of hundreds of child sites was prepared to accept data from the meter reader/data provider for the embedded network if it were possible to do so.

Observation:

Similar to the observation for the previous case that a common sense and pragmatic approach to the situation can reduce costs to the consumer that would otherwise act as a barrier to retailer choice.

5.3 Case C: Ongoing Costs

A typical example of the extra cost, and possibly unnecessary cost, that a retailer would have to include in their offer package to a Second Tier Customer (C2 – refer fig 1) in an embedded network can be illustrated in a city based situation where the prescribed² annual meter provision charge was \$89.97 and the prescribed annual meter reading charge was \$13.40 (for quarterly read) representing a total of \$103.37 p.a. that the Second Tier Customer would 'normally' incur.

The customer's energy bill could range between \$550 and \$1,000 per annum. The metering services in such a case may represent as much as 16% of the total annual bill.

Observation:

It is possible that the ENO may make requisite data available to the retailer of the Second Tier Customer at no cost, or at a much lower cost, if the exclusion (as proposed by this Submission) to the derogation applied.

The impact in this Case on the Retailer, and potentially in turn their Customer, could be savings of up to 16% in data collection and metering costs.

These savings would ensure that retail competition would (as a minimum) remain available to customers of embedded networks.

² Essential Services Commission Excluded Service Charges Decision 2003

6 GLOSSARY

Note: Terms are as defined in the *Code* unless stated otherwise.

Child NMI; Proposed Definition, a NMI applicable to Market Child Connection Point.

Code; the National Electricity Code.

Connection point; the agreed point of *supply* established between *Network Service Provider(s)* and another *Code Participant, Non-Registered Customer* or *franchise customer*.

Consumer; as defined in MSAT procedures, means a party purchasing electricity from a retailer where that party's electricity consumption is for its own use.

Customer; is a person who engages in the activity of purchasing electricity supplied through a distribution system and registers with *NEMMCO* as a *customer*.

Distribution Network; a network which is not a transmission network.

Distribution System; a distribution network and connection assets.

Distribution System Operator; the operator of a distribution system.

Embedded Network; Proposed Definition, a distribution network that is not owned, operated or controlled by an LNSP.

Embedded Network Operator; Proposed Definition, operator of an *embedded network system*.

Embedded Network Exempt Retailer. An exempt retailer under a general exemption order for a specific *embedded network*. Embedded Network System; Proposed Definition, the distribution network and /or connection assets that are not owned, operated or controlled by an *LNSP*, whereby end-use-customers are connected to another distribution system.

Embedded Network Service Provider; Proposed Definition, the operator of an *embedded network system*.

Financially Responsible Market Participant; financially responsible in relation to any *market connection point*, a term which is used to describe the *Market Participant* which has classified the *connection point* as one of its *market loads*.

First-Tier Customer; a *customer* which has classified its electricity purchase at any *connection point* as a *first tier load*.

First Tier Child meter A meter pertaining to a *First Tier Customer of an embedded network*. The meter will not have a *NMI* nor will it be registered in the *NEM*.

First Tier Customer of an embedded network: A consumer within an *embedded network* that has the *embedded network exempt retailer* as their retailer

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First-Tier Load; electricity purchased at a *connection point* directly and in its entirety from the *Local Retailer* and which is classified as a *first tier load*.

Jurisdictional Regulator; the person authorised by a participating jurisdiction to regulate distribution service prices in that jurisdiction.

Local Network Service Provider (LNSP); The *Code* definition " Within a local area, a *Network Service Provider* to which that geographical area has been allocated by the *Jurisdictional Regulator*". **Interpret as;** the LNSP is registered with NEMMCO and operates a distribution system that is connected to the transmission system.

Local Retailer; in relation to a local area, the *customer* who is; related to the LNSP, or the supplier to franchise customers in that local area, or such other *customer* as *NEMMCO* may determine.

Market Connection Point; a *connection point* where any load has been classified as a *market load* or where the *network service connected* at that *connection point* is a *market network service*.

Market Child Connection Point; Proposed Definition, a connection point between an embedded network and a consumer downstream of the parent meter that is not a customer of the embedded network.

Market Customer; a customer who has classified any of its loads as a *market load* and who is also registered with *NEMMCO* as a *Market Customer*.

Market Load; is a load at a *connection point* the electricity relating to which is purchased other than from the *Local Retailer* and which has been classified by the person *connected* at that *connection point* as a *market load*.

Market Participant; a person who has registered with *NEMMCO* as a Market Generator, *Market Customer*, or Market Network Service Provider.

Metering installation; the assembly of components for the purposes of metrology.

NECA; National Electricity Code Administrator Limited, the company responsible for administering the *Code*.

NEM; National Electricity Market.

NEMMCO; the National Electricity Market Management Company Ltd, the company which operates and administers the market in accordance with the *Code*.

Network Service Provider; a person who engages in the activity of owning, controlling, or operating a transmission or distribution system and who is registered in that capacity with *NEMMCO*.

NMI; means a National Metering Identifier.

Non-market Child Connection Point. Proposed Definition, a connection point between an embedded network and a consumer downstream of the parent meter that is a customer of the embedded network.

Parent NMI; Proposed Definition, a NMI at the market connection point where the embedded network connects to the LNSP.

Responsible Person; The person who has responsibility for the provision of a *metering installation* for a particular connection point being either the *LNSP* or the *Market Participant*.

Second Tier Child meter A meter pertaining to a *Second Tier Customer of an embedded network*. The meter will have a *NMI* and be registered in the *NEM*.

Second Tier Customer of embedded networks. A consumer within an *embedded network* with a retailer other than the *embedded network exempt retailer*

Transmission Network; A network operating 220 kV and above.

Transmission System; A transmission network with connector assets.

Transmission Network Service Provider; An operator of a transmission system.