

Important information relating to processes, checklists and documents to ensure we fully comply with recent changes.

Submitting the Notice of Embedded Network Establishment (Part A)

We have reviewed and revised our internal processes, checklists and documents to ensure we fully comply with the changes arising from the Metering Competition Rule Change, Embedded Network Rule change, AER EENSP Guideline, and the Victorian Government's Order in Council.

Hence, the Part A and Part B forms are treating the ENO as the Project Manager of the Embedded Network conversion, and responsible for liaising with their Parent FRMP, the meter providers who will be undertaking parent or child metering changes and the ENM if one is being appointed, as well as any existing NEM customers who are becoming part of the Embedded Network (in a "Brownfield" site).

It also ensures each ENO is communicating with us in the same standard way and that any missing information is easily identified and followed up through request, and that each Embedded Network establishment project is following a consistent process within our business to ensure its timely progress and completion.

While some of the information that transacts can and will be sourced eventually from other Market documents, such as the Notice of Metering Works (NOMW), the Part A / Part B forms are intended to ensure the same information is being shared and confirmed between all parties, particularly as the ENO/EENSP is not a Market Participant themselves, and hence do not have access to B2B or MSATS, and may separately be engaging and involving other independent parties such as an ENM, MC and Meter Provider.

As the establishment of the Embedded Network is largely transacted via emails and not via B2B, the objective is to have the ENO as Project Manager advising us of the intended or required outcomes in Part A, and then the actual implemented outcomes in Part B, and all occurring on an "Agreed Go Live Date".

In all cases, our business is acting on the instructions of the ENO, who isn't a Market Participant, however these instructions are often (in a Brownfield conversion) impacting on existing NEM customers and their existing retail arrangements and network supply agreements, and there are AER and other jurisdictional obligations that the ENO is required to undertake in that situation.

Hence the Part A / Part B forms will allow us to evidence our need to ensure the ENO is aware of, and following AER and ESC requirements to comply with their exemptions as a



Network Provider and Energy re-seller. We are not auditing that situation, but instead relying on the ENO's statements of compliance on the forms.

Please note that we will not be progressing the Embedded Network set up or assigning the ENW code to the NMI to convert it to a parent NMI until that completed Part A is provided, however that will not hold up the physical supply connection of any Greenfield sites as a single occupancy customer.

Exit Fees on New Brownfield Embedded Networks

As approved by AER, exit fees are paid by the person responsible for the removal of the meter. The Exit fees exist so that our Distribution Business can recover the relevant proportion of the written down value of the metering, communications and IT components of the AMI Rollout investment.

No exit fees will apply to existing Embedded Networks that were established prior to 1 December 2017, as these need to have CitiPower and Powercor 'Child' meters removed by 1 December 2018.

However an exit fee will be charged on a per NMI basis in accordance with our approved and published charges, when AMI meters are removed from new Brownfield Embedded Network sites established after 1 January 2018.

Note: Exit fees will not apply to new 'Greenfield' Embedded Network sites as these do not have existing AMI meters.

Once the Part A form has been received, our Distribution Business will respond with an exit fee quote to be reviewed and accepted by the ENO prior to proceeding with the Brownfield Embedded Network establishment.

Under the Metering Competition Rule Change, and the Victorian Government Order in Council, our meters cannot be used for either "On Market" or "Off Market" Embedded Network child metering and must be removed and replaced.

Note: Due to the proprietary mesh radio communication modules fitted to our meters and hence the security of our wireless communications, we do not sell our meters to third parties.

Our AMI Meters need to be removed and returned to us by the accredited Meter Provider undertaking the Embedded Network metering that is replacing our metering, in accordance with AEMO Metrology Procedures and Service Level Procedures.