

16 June 2014

**SOUTH AUSTRALIAN  
WATER CORPORATION**

Mr Adam Wilson  
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Dear Mr Wilson

### **Metering code issues paper**

Thank you for the opportunity to comment on the South Australian Water Metering Code Issues Paper released on 5 May 2014.

SA Water supports the overall objective of the Issues Paper - the protection of consumers. If a metering code is to be introduced, in the interests of reducing the cost burden for customers, the existing standards should be adopted because:

- There is sufficient existing national governance and guidance over customer metering that an additional code will add no further benefit whilst increasing the costs of compliance;
- SA Water is compliant with the existing framework;
- SA Water has a proven method for managing customer water meters for the protection of customers;
- The design of water meters limits the risk to consumers that meters will be mismanaged.

SA Water has a comprehensive process in place for the management and renewal of customer meters to ensure minimal detrimental impacts to customers and our business.

Whilst it is understood that there are metering codes in the gas and electricity industries, the water industry is distinct from those industries in that there is a range of instruments that collectively adequately deal with consumer protection issues associated with metering.

For example, the *National Measurement Act 1960* regulates the appropriate technical details and use of water meters (including penalties for non-adherence to the requirements) for all customer meters under 20mm in diameter. This is due to change shortly for all customer meters under 40mm in diameter. This will capture 99.1% of SA Water customer meters and provide appropriate regulation.

In addition, the urban water industry association, the Water Services Association of Australia (WSAA), has compiled a National Framework for Urban Water Metering that comprises a comprehensive set of codes of practice for metering including:

- WSA 10-2011 Sub-Metering Code of Practice Version 1.1;
- WSA 11-2012 Compliance Testing of In-Service Water Meters Code of Practice – Version 1.1;
- WSA 12-2013 Meter Selection Testing of In-Service Water Meters Code of Practice – Version 1.1;
- WSA 13-2013 Fiore Service Metering Code of Practice Version 1.1;
- WSA 14-2014 Meter Exchange Code of Practice Version 1.1;
- WSA 15-2014 Trade Waste Metering Code of Practice Version 1.1;
- WSA 16-2013 Water Meter Pattern Compliance and Data Sharing Code of Practice Version 1.1;
- WSA 17 Standpipe and Hydrant Metering Code of Practice – Version 1.1 draft.

Details about each of these Codes of Practice can be found on WSAA's website: <https://www.wsaa.asn.au/Codes/Documents/WSAA%20National%20Codes%20Brochure%202014.pdf>

In addition to the framework in place, water meters, by design, run slow as they reach the end of their useful life which means they will under-record water sales. Knowing this, water retailers have the necessary incentive to manage these assets appropriately or risk reduced revenue due to under-recording meters.

Utilising its process under the current framework over the last two years (the period for which SA Water has recorded detailed meter testing data) SA Water has tested 303 customer water meters as a result of complaints regarding suspected overcharging due to meter error. Of these, only one, or 0.33%, was found to be over-recording water use. 90.76% of meters tested were found to be accurate and 8.91% were found to be under-recording water use. This demonstrates that SA Water's management of these assets is adequate, the legislated and non-legislated framework under which it operates is adequate, and South Australian water industry consumers are protected.

An additional metering code, like any additional regulation, is likely to add costs to SA Water's operations in implementation, administration, monitoring, reporting and auditing. For this reason, if ESCOSA is to implement a metering code as a result of this consultation process SA Water would ask that ESCOSA actively engage with the industry to ensure that the resultant code:

- Does not duplicate, exceed or contradict current requirements (legislated or non-legislated);
- Does not require water industry entities to incur any additional expense in maintaining or replacing water meters or communicating requirements to customers;
- Does not require reporting; and

- Adopts a risk-based approach to auditing where water industry entities are audited only where sufficient evidence exists to suggest that the code is not being adhered to by the entity.

SA Water is making a concerted effort to reduce costs for the benefit of its customers and would appreciate any further regulatory instruments to assist SA Water in achieving this for its customers.

As always, I would welcome the opportunity to work with the Commission to ensure adequate customer measures are in place without adding cost pressures to customer prices. If you would like to discuss any of the issues raised in this submission I would be pleased to do so.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Ringham', with a long horizontal stroke extending to the right.

John Ringham  
**CHIEF EXECUTIVE**