

Recertification of a group of category 1 metering installations by statistical sampling

Alternative to use of AS/NZS 1284
Guidelines

17 December 2018



Executive summary

There are circumstances where despite best endeavours metering equipment providers did not inspect metering installations within the timeframes specified in the Code. Where inspections are not performed in accordance with the Code, certification of affected metering installations is automatically cancelled.

In accordance with clause 16(2)(a)(ii) the Authority has developed a simplified statistical recertification process for MEPs who, despite best endeavours did not inspect sufficient category 1 metering installations for the 2017 calendar year, and the results of those inspections did not show any concerns about the integrity of the population.

This process follows AS/NZS 1284, with a smaller sample size and limited certification period.

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1 Background

Clause 16(2)(a)(ii) of Schedule 10.7 of the Code allows the Authority to approve a statistical sampling process

1.1 Clause 16(2)(a)(ii) of Schedule 10.7 of the Code states that:

16 Recertification of group of category 1 metering installations by statistical sampling

(1) A **metering equipment provider** may arrange for an **ATH** to **recertify** a group of **category 1 metering installations** for which the **metering equipment provider** is responsible using a statistical sampling process set out in subclause (2).

(2) To **recertify** a group of **category 1 metering installations**, an **ATH** must—

(a) select a sample from the group, using a statistical sampling process—

(i) prescribed in AS/NZS 1284; or

(ii) that is approved and **published** by the **Authority**; and

(aa) use the pass/fail criteria in AS/NZS 1284 to evaluate whether the group meets the **recertification** requirements of this Part; and

....

There are circumstances where the AS/NZS 1284 statistical sampling process may be able to be simplified

1.2 The Authority is aware there are situations where, despite its best endeavours, an MEP may not meet the inspection obligations prescribed in clause 45 of Schedule 10.7.

1.3 If an MEP does not meet its inspection obligations, clause 20(1)(e) of Schedule 10.7 states that the certification of the affected metering installations is automatically cancelled. There is no discretion or action that can be taken to address this error other than recertify the metering installations.

1.4 The Authority recognises that in this situation the metering installations are likely to be accurate and a simplified statistical sampling process may provide a more cost effective alternative to a full statistical recertification process.

Some participants did not meet their inspections obligations, and as a result certification has been automatically cancelled

1.5 The Authority is aware that despite having an inspection regime in place and believing they had met their annual statistical sampling inspection requirements, some participants did not inspect sufficient metering installations in the 2017 calendar year to prevent certification from being automatically cancelled.

1.6 While the number of inspections was below that required by the Code, the results of those inspections did not show any systemic issues with the accuracy of the installations.

1.7 The Authority has developed this alternative statistical sampling process to enable affected participants recertify these meters.

The simplified statistical sampling process is appropriate for this specific circumstance because the meters are likely to be accurate

- 1.8 The simplified statistical sampling process is appropriate because:
- (a) the affected participants had an inspection regime in place and it was only a misunderstanding of the Code that resulted in cancellation of certification
 - (b) the meters are likely to be accurate, and the simplified process still requires lab based testing to demonstrate meter accuracy
 - (c) the process does not extend the certification validity period of the meters, beyond what it would have been had the correct number of inspections been carried out
 - (d) the process is limited to installations cancelled in 2017, so cannot be used as an alternative to inspections.

2 Alternative process to AS/NZS 1284

2.1 **This alternative process only applies when recertifying a population of category 1 metering installations:**

- (a) for which certification has been automatically cancelled under 20(1)(e) of Schedule 10.7, due to failure to inspect an adequate sample size of the metering installations under clause 45 of Schedule 10.7 in 2017, and
- (b) the MEP can demonstrate that it used reasonable endeavours to comply with clause 45 of Schedule 10.7, and
- (c) the results of the inspections performed did not show any concerns about the integrity of the population
- (d) for which this alternative process to AS/NZS 1284 has not previously been used

2.2 The alternative process is to follow AS/NZS 1284 process, with the following amendments:

- (a) the sample size required is $1/10^{\text{th}}$ of the size of the sample required by AS/NZS 1284 (rounded up)
- (b) the pass / fail levels are for the equivalent sample size (rounded up)
- (c) the certification period is the lesser of:
 - (i) the certification period set out in Table 5 of AS/NZS 1284; and
 - (ii) the certification expiry date the metering installation would have held if the certification had not been automatically cancelled under clause 20(1)(e) of Schedule 10.7.

Example 1:

- 2.3 An MEP has a population of 200 metering installations that it failed to inspect at the 10 year +/- 6 months interval. Certification is automatically cancelled.
- 2.4 The MEP demonstrated that it used reasonable endeavours to perform the inspections, including seeking physical access to the metering installation from the relevant traders.
- 2.5 To recertify the metering installations using statistical sampling, the MEP has the option of:
- (a) testing 32 metering installations under AS/NZS 1284:

- (i) the pass / fail criteria will be for a sample size of 32 installations in table 1 of AS/NZS 1284
 - (ii) the population will be certified for 0, 2, 5 or 7 years from the date the tests are completed, depending on the results of the testing; or
- (b) testing 4 metering installations under this alternative to AS/NZS 1284:
- (i) the pass / fail criteria will be for a sample of 5 metering installations in table 1 of AS/NZS 1284
 - (ii) if the metering installations pass the tests, the population of 200 metering installations will be certified to their original expiry date or for 0, 2 or 5 years (assuming 15 year certification period for category 1 metering installations) from the testing date, whichever is the shorter.

Example 2:

- 2.6 An MEP has a population of 100,000 category 1 metering installations where at least 500 metering installations were not inspected via statistical sampling in the previous calendar year.
- 2.7 The population was certified between 7 and 14 years ago, and has a certification period of 15 years.
- 2.8 The MEP demonstrated that it used reasonable endeavours to perform statistical sampling inspection, including seeking physical access to the metering installation from the relevant traders.
- 2.9 To recertify the metering installations using statistical sampling, the MEP has the option of:
- (a) testing 500 metering installations under AS/NZS 1284:
 - (i) the pass / fail criteria will be for a sample size of 500 metering installations in table 1 of AS/NZS 1284
 - (ii) the population will be certified for 0, 2, 5 or 7 years from the date the tests are completed, depending on the results of the testing; or
 - (a) testing 50 metering installations under this alternative to AS/NZS 1284:
 - (i) the pass / fail criteria will be for a sample of 50 metering installations in table 1 of AS/NZS 1284
 - (ii) if the metering installations pass the tests, the population of 100,000 metering installations will be certified to their original expiry date, or for 0, 2, 5 or 7 years from the testing date, whichever is the shorter..

Inspections no longer required for recertified metering installations

- 2.10 Clause 45(1) of Schedule sets out the inspection period for metering installations. Inspections periods are set out in terms of timeframes after certification.
- 2.11 For populations of metering installations recertified using the statistical sampling process, including the above alternative to AS/NZS 1284 inspections are not required as the certification period is less than the inspection period.