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Mr John Pierce
Chair
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Submitted online at: www.aemc.gov.au

Dear Mr Pierce

Submission on metering installation timeframes consultation paper

Thank you for the opportunity to comment on the AEMC's consultation paper on metering installation timeframes.

The introduction of contestability in metering services has required retailers to set up new processes for the delivery of meter installations, upgrades and rectification of meter faults, to account for new market participants. While we are supportive of the move to contestability, the transition to the new industry arrangements have created instances of significant consumer detriment and confusion. This is extremely disappointing given the extensive work program undertaken in preparation for the 1 December commencement, including through the AEMO Executive Forum and various working groups, as well as system testing.

In particular, we consider the significant delays experienced by customers for new metering installations to be unacceptable. In some circumstances this has prevented customers from moving into a newly built property because they are waiting for a new connection. A separate, but equally serious, issue is customers being unable to access products and services (such as a solar PV system) due to lengthy delays in getting upgraded meters. Of particular concern is that some customers have been left off supply for considerable periods of time due to problems arising with the carrying out of these works.

To date, most of the problems relating to delays in new meter installations and upgrades do not appear to raise issues of non-compliance under the National Energy Retail Rules (Retail Rules) and the National Electricity Rules (NER), being the relevant rules that frame the AER's jurisdiction. Where concerns are raised about the application of the NER or the Retail Rules we would investigate to determine if there are compliance issues. Notwithstanding the potential for new rules to address some of the consumer detriment currently being experienced, we consider industry must, in the short term, work to remedy these issues rather than waiting for a regulatory response.

Our work since December has primarily focused on working proactively with industry and other stakeholders to address issues arising from the new arrangements to achieve outcomes for customers. We acknowledge that this is difficult to achieve as the current regulatory framework does not provide recourse for customers where they are most severely impacted—for instance, there are no clear timeframes within the rules for new meter installations. We recognise this is the intention of a competitive framework for metering services. However, in the face of significant consumer detriment, we are supportive of changes to the metering contestability rules where they are likely to result in improvements to customer experiences and outcomes, while maintaining the customer protections afforded by the rules.

Our specific comments on the rule change proposals are detailed below.

Requirements for meter installation timeframes

New meter installations and upgrades

We are aware customers are experiencing protracted timelines in the delivery of new meter installations and meter upgrades. We understand that one of the key reasons is poor coordination between existing and new market participants required to complete these types of metering works. This is in addition to a backlog of jobs dating to the Christmas 2017 period.

We support a rule change which leads to good customer outcomes in the case of timeframes for new and replacement meter installations. Customers should have a right to a realistic, actionable timeframe in such situations. That is, a retailer should be required to give a customer a timeframe which is a genuine assessment of when a meter will be installed, and the customer should have a course of action available to them should that timeframe not be met. To that end, we would not support this requirement being subject to a ‘best endeavours’ caveat, given the challenges this would present in enforcing the provision.

We note that under the pre-1 December 2017 arrangements consumers had access to compensation under jurisdictional Guaranteed Service Level Schemes if installation timeframes were not met. These schemes were useful in providing customers with a level of certainty as to timeframes for meter installations and financial redress in the event timeframes were not met.

We acknowledge the complexity of applying such a scheme to the new arrangements given the greater number of market participants (and their contractors) now involved in effecting a meter change. However, we also note that there are a number of national compensation schemes in operation in other industries that provide financial compensation to customers if businesses do not meet certain performance standards. For example, in the telecommunications sector the Customer Service Guarantee scheme has successfully operated for a considerable period of time and provides financial compensation to customers where timeframes for new connections and fault rectifications for fixed line services are not met. We would recommend/be supportive of further consideration of how such a model might apply in relation to meter installations.

While we are supportive of a hard timeframe for the installation of new meters and upgrades (such as the proposed six day timeframe), we consider it should take into account the time reasonably required to coordinate and incorporate the new processes required by the rules.

The NER currently requires the retailer to provide the National Metering Identifier (NMI) to its metering coordinator (MC) within five business days of receiving the NMI from the Local

Network Service Provider¹, and for the MC to provide details of the metering installation to AEMO within 10 business days of receiving the NMI.² It is our understanding that this does not reflect current industry practice where a NMI may be obtained months prior to a site being ready for connection. Accordingly, we do not consider that the obtaining of a NMI should be the trigger for any timeframe for installing a meter.

Amendment to the current timeframe to rectify malfunctioned meters

The NER specifies that a retailer must promptly appoint a competitive MC once notified of a malfunctioning type 5 or 6 meter³ and that an MC must repair a malfunctioned meter as soon as practicable but no later than 10 business days of the MC being notified of the malfunction, unless an exemption is obtained from AEMO.⁴

We do not oppose extending the timeframe to repair malfunctioned meters, but would not allow more than 15 business days and not in cases where the faulty meter has caused a supply outage. We consider that 15 business days is sufficient time to effect repairs, without significantly impacting on market settlement processes or requiring a meter to be bridged for a significant period of time. We also note that there are no explicit provisions regarding bridging in the NER and we understand that distributor practices for bridging meters vary. We propose the AEMC consider introducing rules governing the bridging of meters by distributors to ensure consistent industry practice when faulty meters have resulted in supply outages.

Potential measures to improve the meter installation process

Shorter planned interruption notice

We support the intent of the requirements to notify customers of a retailer planned interruption as they currently stand in the Retail Rules.⁵ We consider these requirements to be an important protection to ensure customers are informed of, and can plan for, an upcoming interruption to supply.

The Australian Energy Council (AEC) has proposed that customers should be able to agree with the retailer an alternative date for a planned interruption, even if this falls within the minimum four day notification period. We agree that greater flexibility can bring benefits to customers seeking to get a meter installed. We are therefore supportive of a shorter planned interruption notice period as proposed but only where:

- the customer has explicitly agreed to an alternative date for a planned interruption that is shorter than the four business day notification period (noting the Retail Rules already allow for a notification period of longer than four business days), and
- retailers record this agreement.

We do not support extending the provision of greater flexibility in the retailer planned interruption notification requirements to life support customers. This cohort is particularly vulnerable and the protections associated with the retailer planned interruption timeframes continue to be important where an interruption to supply may affect a life support customer. We consider life support customers should be provided with a level of certainty regarding

¹ Rule 7.8.2(c)(2) of the National Electricity Rules

² Rule 7.8.2(e) of the National Electricity Rules

³ Rule 11.86.7(h) of the National Electricity Rules

⁴ Rule 7.8.10(a)(2) of the National Electricity Rules

⁵ Rule 59C(2) of the National Energy Retail Rules

supply interruptions that will allow them sufficient time to make alternative arrangements if necessary.

Finally, if greater flexibility is provided into the planned interruption notification requirements, we request the AEMC consider an equivalent strengthening of retailers' requirements to restore supply after the interruption as soon as possible. We do not consider the current requirement for retailers to use 'best endeavours to restore supply' adequately enforceable.⁶

Customer notification process for new meter deployments

We consider the opt-out provisions under Retail Rule 59A provide important protections to ensure customers have the ability to decide whether to proceed with the new meter deployment. It is particularly important that customers have this ability when the proposed meter installation is not customer-initiated.

We oppose the removal of the opt-out provisions, even if the customer has given their 'early consent' to the new meter deployment. This is because we support the intent of the rules as they currently stand, which is to give a customer adequate time and opportunity to opt out of the meter installation where it is retailer-initiated. Since the metering contestability rules commenced, we are not aware of customer or industry complaints that have attributed delays in installing meters to the opt-out provisions.

If the AEMC is considering making this rule, we suggest that strong information provision requirements be placed on retailers to ensure the customer is adequately informed as to what they are consenting or essentially opting in to. A customer should also be given the right to change their mind and not have to proceed with the meter installation.

Other issues related to planned interruption notices

24 hour enquiry line

We agree with the AEC that a phone line for customer enquiries about retailer planned interruptions does not have to be a 24 hour enquiry line. However, we think it is important that customers have access to after-hours support in situations where a metering installation for which a retailer is responsible has resulted in a customer being off-supply. We consider access to this support should apply to all customers.

⁶ Rule 59C(5) of the National Energy Retail Rules

Conclusion

We welcome the opportunity to discuss these matters further. Please call Sarah Proudfoot on 03 9290 6965 if you have any queries about this submission.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'P. Conboy', written in a cursive style.

Paula W. Conboy

Chair