



12 July 2018

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

Lodged electronically: www.aemc.gov.au

Dear Mr Pierce,

Rule change proposal – Metering installation timeframes

Origin Energy (Origin) appreciates the opportunity to provide a submission in response to proposed rule changes to metering installation timeframes submitted by Minister Frydenberg and the Australian Energy Council (AEC) respectively.

Origin recognises that since the commencement of the metering and related services rule change in December 2017, there have been instances where customers have not received acceptable levels of service regarding the installation of new and replacement meters.

We agree with the AEC that some of the reasons for metering installation delays have been due to market participants adjusting to new service orders and timings, while other issues can be attributable to the new metering rules not providing retailers and customers with flexibility to manage planned interruptions and installation appointments.

We strongly support the proposal by both rule change proponents to allow customers and retailers to agree a date for the provision of metering services. Origin considers that providing customers with better control over the management of their meter replacement will result in better customer engagement and mitigate negativity associated with the introduction of smart meters. Furthermore, providing customers with the ability to change appointment times is consistent with good customer service.

We also support retaining necessary customer protections so that where the customer and the retailer do not agree an appointment date for the replacement of a malfunctioned meter that retailers provide minimum planned interruption notifications and ensure that the meter is installed within an acceptable timeframe. When setting timeframes, we encourage the AEMC to have regard to the practical limitations and obligations on market participants so that they are afforded a realistic opportunity of complying with the rules in an efficient and cost effective manner.

Origin's responses to specific issues identified in the consultation paper are set out below.

What are the benefits to customers of imposing installation timeframes in new and replacement situations?

The current rules do not mandate installation timeframes for new connections and meter upgrades. We believe this largely reflects the different processes between installing a new versus replacement meter and the role of existing meters for settlement purposes.

With respect to new meter installations, networks have different work flow arrangements. For example, in Queensland, the service and installation arrangements set out in the respective Queensland LNSP connection policies provide for the assignment of a NMI, installation of a meter and energising of the relevant site after the completion of site works.

In the case of NSW, for larger residential developments, the LNSP connection policies require a NMI to be obtained before the connection application and before the commencement of site works. This may result in a NMI being obtained many months before the site has been completed, the meter installed and the site energised.

South Australia and the ACT have different connection policies and work flows again.

As a result, it will be problematic to apply consistent “start the clock” points in time and installation timeframes across different networks and installation types. We believe that as a starting point the application of consistent work flow processes and B2B procedures across networks would support customers and industry better understanding the new arrangements and delivering operational efficiencies. This should be a pre-condition before any consideration of mandating installation timeframes.

Regardless of the different network processes, the key objective should be that customers have the flexibility to agree with their retailer an installation date once all required field works are completed.

What are the expected costs of imposing installation timeframes?

As the AEC point out, a key driver in reducing costs is enabling metering providers and customers to agree and change appointment times at short notice. We agree with the AEC that the strict imposition of a planned interruption timeframe, as currently exists, will add costs to service delivery as identified in their proposal.

Should there be different requirements for different types of installation scenarios and why?

As the AEC has identified, the rules impose a number of procedural obligations on market participants with respect to the replacement of a meter, especially around nominations, objections and outage notifications.

These procedural obligations do not apply to new and, in some instances, installation upgrades. As a result, applying a consistent timeframe for different installation types will be problematic; especially when some installs require an outage notification and others do not.

Should the current timeframe in the NER for the replacement of malfunctioning meters be amended? If so, what is the appropriate timeframe?

We strongly support the position put forward by the AEC regarding the installation timeframes for the replacement of a malfunctioned meter.

As the AEC highlight, from the point the LNSP sends a Meter Fault Issue Notification to the FRMP, there is about a seven business day period where the respective market participants must follow MSAT nomination and objection notifications. It is not until about ten business days into the process that a FRMP will issue the customer with a planned interruption notification.

We believe the timeframes set out in the AEC submission reflect the operational realities of replacing a meter. Irrespective of whether the AEMC amends timeframes, this will not change how quickly market participants can replace a meter unless the operational processes are more streamlined. For these reasons, we believe the AEC proposed rule change proposes timeframes that provide market participants with a realistic opportunity to comply with the rules.

Closing

We strongly support the proposal by both rule change proponents to allow customers and retailers to agree a date for the provision of metering services.

We believe that setting installation timeframes for new connections across different networks will be problematic given the different work flow processes. To circumvent these inconsistencies, we believe that the primary objective should be to provide customers with the ability to agree with their retailer a preferred date for an installation irrespective of whether it is for a new or a replacement meter or whether it involves a planned interruption.

We strongly support the AEC proposed timeframes as these provide market participants with a realistic opportunity of complying with the rules. These timeframes should be adopted unless the current procedural timeframes around nominations and objections are compressed.

If you have any questions regarding this submission, please contact Sean Greenup in the first instance on (07) 3867 0620.

Yours sincerely



Keith Robertson
Manager, Wholesale and Retail Regulatory Policy
(02) 9503 5674 keith.robertson@originenergy.com.au