



Australian Energy Market Commission

Submitted online

ERC0241

20 September 2018

AEMC Draft Rule Determination - National Energy Retail Amendment (Estimated meter reads) 2018

AGL Energy (AGL) welcomes the opportunity to comment on the National Energy Retail Amendment (Estimated meter reads) Rule 2018 Draft Rule Determination (Draft Rule).

AGL support the principle of allowing customers to provide their own meter read to a retailer and we are already providing this service to our customers. We appreciate the flexibility provided for in the Draft Rule to allow retailers to engage with their customers in a way that best suits both customer and retailer preferences. The use of clear language, and access to information on how to read meters will help improve overall consumer outcomes.

AGL offers the following comments to further improve the long-term interests of customers through the provision of customer led estimated reads. Areas we offer further improvements include:

- Further guidance on hierarchy of reads
- Customer led reads and market settlement
- The meter types that the Rule should apply to.

Hierarchy of reads

AGL recommend that further guidance be provided to retailers on the expected hierarchy of customer reads against retailer/distributor estimates and actual reads.

This was raised in our previous submission and we consider it important to the proper operation of customer-reads. Our expectation would be that if a customer provides a read on the same day as a distributor read then the actual distributor read should take priority over the customer read.

Market settlement

AGL strongly recommend that the Commission consider making changes to the obligations to incorporate customer reads for market settlement purposes in parallel to obligations on retailers to accept these reads to ensure effective operation of the market. Distributors accepting customer reads will benefit the customer, as it will ensure that the information that distributors have will likely provide greater accuracy in distributor estimates. It will also realign the customers readings where



there has been long term no access and potentially provide early advice of potential faulty meters (i.e. where they are going backwards, not registering misalignments etc).

Alternatively, we strongly urge the Commission to make a recommendation to ensure this process is updated as soon as practicably possible through the multiple retail and metrology procedures documents.

Meter Types

AGL recommends the Commission consider limiting the scope of the meters this obligation will apply to.

We support the Rule applying to basic meters. This is based on the fact that basic meter registers the total amount of electricity used at the property and reads are sequential with a start and end read provided for each billing period, which allows for easy calculation of the consumption where a customer read is provided.

However, we do not believe the Rule should apply to smart meters. This is based on the fact retailers receive daily reads for smart meters and more importantly it is far more complex for a customer to carry out an accurate smart meter read.

Depending on the type of smart meter installed at a site, certain registers may show the accumulated usage since the meter was installed or reset entirely (which can occur at any point). As the customer can only see the total usage since the installation of the meter, it will be difficult to relate this back to the usage on the bills without using a daily average and knowing what the accumulated usage when the customer took occupancy or took responsibility for the usage.

Additionally, if retailers were to take a customer read for a smart or MRIM meter then it would not be possible to bill or adjust on the read because retailers would need to average out each interval, which would result in a less accurate bill than what retailers currently do. Given that nearly all bills are issued on actual meter data for these types, we consider the operational costs to include this complex formula (which would be substantial) do not outweigh any potential benefits, and in fact may lead to more confusion and bill shock for consumers.

AGL has prepared a table for further consideration by the Commission on the following page. Should you have any questions or comments, please contact Kathryn Burela on (03) 9273 8654 or kburela@agl.com.au.

Regards

[Signed]

Elizabeth Molyneux

General Manager Energy Markets Regulation



Draft determination responses table

Draft Rule Requirement	AGL response
Requiring retailers to adjust a bill based on an estimate	Supported - AGL welcome the flexibility on the drafting that would allow parameters to be set by retailers to ensure that customers are not worse off by a mistaken customer read (i.e. a read that would show an unrealistic spike in customer usage).
Included meter types	Partially supported - AGL do not support the inclusion of all meter types. It will be incredibly difficult for a consumer to read smart meters (Types 1-4 and 4C) and MRIM meters (Type E5 and M4) for the reasons stated in the cover letter.
Applies to electricity and gas	Supported
Lodge meter reading with the retailer before the due date of payment of estimated bill	Supported - AGL already provide this as an option to consumers.
Provide guidance to small customers on how to read their meter	Supported - AGL recommend that smart meters not be included in the meter types eligible for customer reads due to the nature of how they perform.
Does not require obligations for customer reads for market settlement purposes	Not supported - AGL consider this a critical component of the process. There needs to be consistent ruling about the provision of Customer Own Read (COR) to networks and the rebilling from the networks. Because of the existing lack of clarity on these regulations, this is an ongoing point of difficulty for retailers in ensuring networks receive CORs in a consistent manner. This is an important issue and should be approached in parallel with any retail changes.
Must inform the small customer that they can provide their own reading	Supported
Must provide the information in writing and indicate in advance the type of information to be provided	Supported - AGL encourage technology agnostic approach to the provision of information to our customers. We have had great success with the use of our online portal to provide information to customers and to provide timely adjustments to customer bills based on their own customer reads.
Customer read estimate language	AGL recommend the use of the term “Customer Read” or “Customer Own Read” instead of additional use of the word ‘estimate’ as this may cause customer confusion. The Rules should ensure that the language is not prescribed so long as it is made clear to a customer where an estimate or customer read has been used.
Civil penalty provisions	Not supported - As previously submitted, attaching civil penalties to section 21 does not increase accuracy of retailer estimates or alter retailer ability to determine whether the customer has changed their usage of acquired new appliances which may impact the estimate/actual. Further, the AEMC has not made the case that current enforcement provisions available to the AER for breaches of these proposed Rules are not adequate for retailers to comply with the obligations and for the AER to use to require rectification of any compliance breaches.