

## Department of State Growth

OFFICE OF ENERGY PLANNING

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

Attention Jess Boddington

### **Estimated meter reads (ERC0241)**

Dear Mr Pierce,

The Department of State Growth is pleased to provide feedback on the draft AEMC determination on estimated meter reads.

As noted in our prior submission on the proposed rule, the Department supports customers having greater access to, and awareness of, their electricity consumption data.

It is important that electricity consumers have access to adequate and robust customer protections, including in relation to estimated meter reads. Compliance obligations on energy providers come with a cost, and that cost is eventually borne by customers. Accordingly any costs associated with new processes should be commensurate with the benefits to customers.

The Department is concerned that the AEMC draft determination may introduce significant costs and complexities with any benefits only applying to a small and diminishing number of Tasmanian customers as the number of advanced meters increases.

While supportive of the intent of the draft determination to minimise potential bill shock faced by customers receiving estimated reads, the Department questions whether the proposed changes, which mandate potentially cumbersome and costly new processes for managing estimated meter reads, is the best approach.

The Department notes that substantial customer protections in relation to bill estimation are already in place (such as bill smoothing and under and over charging provisions), which assist customers in managing potential bill shock.

The Department considers that given the small and diminishing number of customers who will still require estimated reads in the future (as the roll-out of advanced meters continues), there may be more flexible and less costly approaches to managing any bill shock issues for these customers. It is important to remember that many of the issues associated with estimated meter reads, which are for the most part resultant from ongoing meter access issues, will be resolved as advanced meters are installed.

As noted in the Department's earlier submission, an estimated meter read that is based on a customer's prior consumption will in most cases be a fair assessment of the electricity that a customer would have been likely to consume.

The Department supports the decision by the AEMC not to progress work in relation to grossly inaccurate estimates, and the decision to continue to allow for estimated meter reads to be undertaken.

Further consideration of identified issues with the draft determination are outlined below for your consideration with regard to a final determination.

### **1) Implementation costs.**

While the true costs of implementing the draft rule are as yet unknown, they could potentially be quite significant. Retailers will be required to develop new systems and processes that are robust enough to manage customer submitted meter data. The implementation costs for these new processes will be recovered from all customers.

### **2) Removal of upfront meter test fee.**

The AEMC has proposed that a retailer can only charge a customer for a meter test after that test has concluded and the meter has been found to be functioning correctly.

The Department understands that meters are very rarely found to be faulty. The existing upfront charge for a meter test under the Rules ensures customers investigate other more likely reasons for unexpected electricity consumption on their bill, prior to requesting costly testing to establish whether their meter is faulty. Ensuring customers have a better understanding of their usage before requesting a meter test is consistent with the objective of encouraging greater customer engagement.

The Department is concerned that the proposed change may lead to a greater number of customers requesting for their meter to be tested prior to fully investigating the potential reasons for the high cost of their bill. These customers may end up paying hundreds of dollars for a meter test of a perfectly functioning meter.

### **3) Customers submit metering data after a bill has been issued.**

Under the draft rule, a customer who is issued an estimated bill may contact the retailer and submit their own metering read to be used for billing.


This approach will require a retailer to issue two bills to the customer: an initial estimated bill, and an adjusted bill based on a customer's metering data. This does not seem to be an efficient process for either the retailer or the customer. Customers who have ongoing meter access issues could potentially be going through this process up to three times a year<sup>1</sup>. Under such an arrangement retailers will be receiving customer consumption data that has been recorded outside of the billing period – potentially some weeks after the bill was issued. This will be difficult

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<sup>1</sup> Noting that an actual read will still need to be undertaken once every 12 months in accordance with the National Energy Retail Rules.

for retailers to manage. Implementing this approach in the Rules may constrain the development of more efficient methods for managing estimated meter reads.

It is important that Tasmanian electricity consumers have access to adequate and robust customer protections, including in relation to estimated meter reads. However, the Department is concerned that the AEMC draft determination may introduce significant costs and complexities with any benefits only applying to a small and diminishing number of customers as the number of advanced meters increases.



Sue Morrison

**A/Executive Director  
Office of Energy Planning**

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