



EnergyAustralia

LIGHT THE WAY

20 September 2018

Mr John Pierce
Dr Brian Spalding
Ms Allison Warburton
Mr Charles Popple
Ms Michelle Shepherd
Australian Energy Market Commission
PO Box A2449
Sydney South, NSW, 1235

EnergyAustralia Pty Ltd
ABN 99 086 014 968

Level 33
385 Bourke Street
Melbourne Victoria 3000

Phone +61 3 8628 1000
Facsimile +61 3 8628 1050

enq@energyaustralia.com.au
energyaustralia.com.au

Lodged electronically

Dear Commissioners,

ERC0241 – Estimated meter reads – draft rule determination

EnergyAustralia welcomes the opportunity to make this submission to the Australian Energy Market Commission's (AEMC) draft determination to provide customers with a process to request an adjustment to an estimated bill.

We are one of Australia's largest energy companies with over 2.6 million electricity and gas accounts in New South Wales, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own and operate a multi-billion-dollar energy generation portfolio across Australia, including coal, gas, and wind assets with control of over 4,500MW of generation in the National Electricity Market and an annual gas portfolio of over 100PJ.

EnergyAustralia supports the AEMC's decision to make a more preferable draft rule, requiring retailers to adjust a customer's bill based on an estimate by using a customer's own reading of their meter before the due date for payment of the bill. We already offer customer own reads for accumulation meters and support the AEMC's approach to balance customers protections with maintaining flexibility for retailers to design their own approach. We also support the AEMC's decision to only apply this rule where a bill is an estimate because accepting a customer self-read as a replacement for an actual read will obstruct retailers' meeting the obligation to provide at least one actual read per year.

However, we continue to have reservations about applying this draft rule to all small customer meters. We consider that this draft rule should only apply to Type 6 meters and gas meters. We request that the AEMC give more consideration to the complexities and implications of asking customers to supply their own read from Type 4 and 5 meters and retailers having to use this to provide an adjusted bill.

Additionally, as discussed in our submission to the consultation paper, our greater concern is customers with chronic no access to their meters. Customer own reads will

only be a short-term solution for these customers. There is a risk that the proposed rule will provide an incentive for customers to restrict access to their meters and be less amendable to helping retailers organise an actual read every 12 months. As such, bill shock is a likely result if a retailer eventually gets an actual read. While the AEMC has acknowledged stakeholders concerns with chronic no access, we request the AEMC consider further, in its final decision, the necessity for customers to provide access to their meters to mitigate against bill shock.

1. Requiring retailers to adjust a bill based on an estimate

For estimated bills, EnergyAustralia does not create the estimate data. This comes from distributors and meter data providers and we verify the meter data sent by these parties. As such, we support retailers being given the discretion to determine the method of adjusting an estimated bill based on a customer's own meter reading. This means we can adapt our current process of applying a pro-rata calculation to align the customers' reading of their meter with the original bill date. We note that the adjusted bill will still be classified as an estimated bill under the rules and is in addition to any adjustment occurring next time there is an actual meter read.

2. Application only to Type 6 meters and gas meters

The rule should only apply to accumulation meters (i.e. Type 6 electricity meters as well as gas meters). Asking customers to provide meter reads for interval electricity meters (Type 4 and 5 meters) introduces complexity for the customer and additional costs for retailers as we can't currently validate customer own reads due to it not being mandatory to obtain regular index reads. Further details are provided below.

While, the AEMC has acknowledged that some metering arrangements will be more difficult to read, the proposed requirement on retailers to provide guidance to customers on how to read their meter, in our view, will not address this complexity. For example, remotely-read advanced meter data is an enormous and detailed data set. If we accept a customer's read for these meters, we will not be able to provide the customer 30-minute reads for that period, until actual meter data is received later. In future, Type 4 and 5 meters will provide 5-minute reads. It would be difficult and pointless to create all the interval reads if a customer provided their own read as it would incorrectly give the impression of accuracy.

When a bill for a customer with a Type 4 or 5 meter is marked as being based on an 'estimated read', it means that more than a certain percentage of interval reads are missing. Given that these meters are newer and are often remotely read on a daily basis, it is most often the case that the majority of 30-minute readings are actual reads. Data loads every day and different reading classes of accuracy can overwrite previous estimates. To be able to use a customer's own reading to overwrite this data and correct estimate periods would be an enormous undertaking. However, the main reason that Type 4 and 5 meters should be excluded from this rule is that it is not mandatory that Meter Data Providers (MDPs) provide index reads for Type 4 and 5 meters. This means that it is currently impossible for retailers to receive customer own reads for these meters and know what the previous index read was, so they can calculate the total usage for the customer or validate that the read is correct.

To address this issue, it would be necessary to alter the meter date file¹ sent in the market to make index reads mandatory (at least once per day). Storing additional data like index reads is likely to reduce the amount of other data that can be stored by the meter. This becomes even more relevant for 5-minute read meters, and Type 4A meters where the reads are taken manually. If the meter isn't read before the memory runs out, then some reads will be irrecoverable. We recommend that the AEMC consults with MDPs and AEMO on this matter.

In addition to the changes that MDPs would need to make to provide index reads for Type 4 and 5 meters, retailers would also need to make changes to store these index reads in their systems. It would be possible to change, but it is unlikely to be possible by 1 February 2019. We note that there are likely to be far fewer instances of interval or advanced metered customers needing to supply their own reads, and as such the rule change should be limited to accumulation meters only.

3. Safety risks

Under the draft rule, the AEMC proposes that customers will be able to check their meter to determine whether the estimated read provided on the bill is accurate. The AEMC should consider the risks to customers from potential hazards associated with customers accessing their meter. We have seen instances of latent electrical faults in meter boxes, snakes and spiders present and other physical hazards related to the site/property itself. While, meter reader technicians are trained to navigate hazards and have equipment to check for any hazardous voltage on the metal boxes enclosing electricity meters, customers are not and are usually unaware of the condition of their meter boxes. To mitigate this risk, EnergyAustralia will be incorporating some messaging into our information regarding customer own reads to emphasise that customers need to approach their meters with care, or to request a special read if they are not sure that it is safe to access their meter.

4. Informing customers of their right to request an adjusted bill

The draft determination proposes that where a customer's bill is based on an estimate, retailers must inform customers in writing that they may provide a reading of their meter as the basis for an adjusted bill. We support the draft rule providing retailers with flexibility on how to notify a customer - whether this is a bill insert or inside the contents of the bills. We also note that the draft rule proposes that retailers must inform customers on an adjusted bill that it is based on their self-read.

EnergyAustralia supports the AEMC's findings that a retailer should not be required to accept a customer own read if received on or after the due date of the initial estimated bill or if it does not comply with a retailer's requirements. We also support the enhanced complaints and dispute resolution procedures. However, we do not support the proposal for a civil penalty provision in relation to informing the customer that they may lodge a dispute with the energy ombudsman where the customer is not satisfied with the retailer's reason(s) for not accepting the customer read estimate.

¹ AEMO - METER DATA FILE FORMAT SPECIFICATION NEM12 & NEM13 https://www.aemo.com.au/-/media/Files/Electricity/NEM/Retail_and_Metering/Metering-Procedures/2018/MDFF-Specification-NEM12--NEM13-v106.pdf

5. Conclusion

Overall, EnergyAustralia welcomes the AEMC making a more preferable draft rule which will enable customers to provide an own read if they do not agree with an estimated bill. However, we consider that this rule should only apply to Type 6 and gas meters given the complexity involved with interval meters. As things stand, we will be unable to obtain regular index reads necessary to comply with the draft rule by the effective date. Further industry changes would be required to allow this, and those changes are unlikely to be able to be completed by 1 February 2019. Therefore, we strongly encourage the AEMC to reconsider this in its final decision.

If you would like to discuss this submission, please contact Carmel Forbes on (03) 8628 1596 or at carmel.forbes@energyaustralia.com.au.

Regards

Melinda Green

Industry Regulation Leader