

18 September 2018

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2499
Sydney South NSW 1235



Dear Mr Pierce

ERC0241 Draft Rule Determination Estimated Meter Reads

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Australian Energy Market Commission on its Estimated Meter Reads Draft Determination (the Draft Determination) and supporting Draft Rule.

- Energy Queensland is a Queensland Government Owned Corporation that operates a group of businesses providing energy services across Queensland, including:
- Distribution Network Service Providers, Energex Ltd (Energex) and Ergon Energy Corporation Ltd (Ergon Energy) ;
- a regional service delivery retailer, Ergon Energy Queensland Ltd (Ergon Energy Retail); and
- affiliated contestable business, Yurika Pty Ltd (Yurika).

This submission is provided by Energy Queensland, on behalf of its related entities described above and is available for publication.

Energy Queensland in general supports the principle of allowing customers to provide self reads as an alternative to an estimated read. However, we have some high level comments in relation to particular aspects of the Draft Determination which are outlined below:

- Energy Queensland is supportive of the need for customers to lodge their reading before the due date for payment of the existing estimated bill, and that retailers can reject the self-read if it was received on or after the due date for payment of the initial estimated bill. Further, Energy Queensland is of the view

that retailers should be allowed to reject a customer self-read where the previous read was also an estimated/self-read. To allow customers to provide consecutive self reads may diminish the incentive to provide safe access to obtain actual reads. This may result in bill shock once actual reads are obtained, an issue that the AEMC noted can be exacerbated where successive estimates are used, such as where there are chronic access issues.

- Although in principle we support the ability for customers to provide a self-read as an alternative where they have been issued a bill based on an inaccurate estimate, we wish to highlight that in the case of estimated reads provided for an interval meter customer that have been substituted, the error is likely to be immaterial. As some retail and network tariffs derive specific charging components from the interval data (seasonal time of use energy or demand tariffs (kW and kVa) for example) the necessary figures are unlikely to be displayed locally on the meter in a way that the customer can access and provide to the retailer. In instances where there have been communication equipment failures, for example, there are requirements on the retailer's Meter Data Provider (MDP) to rectify the failure and provide actual data within a specific timeframe.

Further, in instances where customers may attempt to provide aggregate consumption value from an interval meter, interval billing practices may be unable to differentiate between the consumption value provided by the customer and the interval data provided by the MDP. Due to the timing difference of the customer provided consumption value there may be the risk that this additional consumption would be aggregated and billed a second time in the following month. System changes to prevent such an occurrence may be both costly and time consuming to implement. Therefore, we recommend that this rule not be applied to customers with interval meters. Further consideration should be given to the treatment of final substitute, and interval estimates, as estimated reads in general, to avoid the situation where the retailer is obliged to advise the customer of the remedies that may not be appropriate given the metering installed on site.

- We support the AEMC's decision to not include a prescriptive process and instead allow retailers the flexibility and autonomy to determine how retailers present information to best notify customers of their right to request an adjusted bill. This is especially important, because, for example, including notification information on a bill may not be of value to a customer given the significant amount of information already contained in a bill and it therefore may be overlooked by a customer.

- Energy Queensland does not support imposing a civil penalty on retailers to protect customers from the harm caused by inaccurate estimations. This is because retailers rely on the data being provided by the Metering Coordinator. We are concerned that imposing penalties may create perverse behaviours, such as unsafe practices to gain access for a meter reading. We strongly recommend that this is reflected in the framework to ensure that customers are not incentivised to refuse access.
- In our initial response to the Consultation Paper, we raised concerns regarding the costs involved to upgrade systems to validate and accept customer self-reads on a broad basis. We therefore request the AEMC consider granting a reasonable period to allow for these system changes to occur to ensure retailers are provided the opportunity to comply with the final rule.

Energy Queensland is available to discuss this submission or provide further detail regarding the issues raised, should the AEMC require. Please do not hesitate to contact either myself on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours sincerely



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