20 September 2018

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Via online submission

Australian Energy Market Commission
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ERC021: Estimated meter reads

Jemena Gas Networks (NSW) Ltd (**JGN**) welcomes the opportunity to comment on the Australian Energy Market Commission's (**AEMC**) draft determination on the review into estimated meter reads (**draft determination**).

At the outset we would like to acknowledge the assistance we have received from the NSW Public Interest Advocacy Centre in bringing a customer advocate perspective to our thinking at all stages of this process. We have also valued discussions with staff at the NSW Energy and Water Ombudsman and the AEMC in relation to issues of relevance to this review.

Overall, the draft determination includes a number of positive initiatives that promote better customer outcomes in terms of billing accuracy and reduced customer frustration.

However, we also consider that the final determination could go further to ensure that the full benefits of the rule change are realised and to promote the National Energy Objectives to the greatest degree. We set out a number of recommendations below.

<u>Required information for customer self-reads</u>

Draft rule 21(3B)(b) provides that retailers must make available to small customers the types of information the customer is required to provide when lodging the customer read.

Our understanding of this draft rule is that retailers could still require photographic evidence of the customer read.

If retailers did require a photograph, this may hamper customers' ability to provide a meter read over the phone. In our view, the rule provisions should be more explicit in requiring customer self-reads to not be technologically or procedurally limited in ways that may exclude certain groups of customers (such as people without access to smart phone or specific technology, older people, people with a disability, people who do not speak English at home).

Retailer grounds for rejection

Under draft rule 21(3D)(b), a retailer can reject a customer self-read if it "reasonably considers" that the read does not meet the retailer's requirements.

In our view this framing is unnecessarily broad and could ultimately be used to circumvent fair and proper consideration of customer self-reads.

We would have thought that most, if not all, of the reasons for rejecting a customer self-read would be quite straight-forward to define in advance, namely:

- the read is lower than the most recent actual or customer self-read;
- a number is provided that is incompatible with the meter type in question (e.g. too few numbers); and
- the address or customer details do not match the meter identifier advised as part of the self-read information.

At minimum, we would hope that rule "footnotes" be included with examples of acceptable reasons for rejection.

Written reasons for rejection

Under draft rule 21(3D), if the retailer rejects the customer read estimate it must promptly notify the small customer in writing of the reasons for its decision.

The phrase "reasons for its decision" can be interpreted very broadly – for example it could be interpreted as loosely as requiring the retailer to indicate that the read did not meet the retailer's requirements, or even more generically, did not meet the requirements of the National Energy Retail Rules (**NERR**).

We recommend that the retailer be required to provide *specific* reasons. If the AEMC does include a list of "reasonable grounds" in the final rule (as suggested above), or even just as a footnote, this part of the draft rule could cross-refer back to those new provisions. For example, if the final rules states that a valid reason for rejection is that the read is lower than the most recent actual or customer self-read, the rules could go on to say that the written reasons for decision must include the grounds for rejection as specified in the rules.

In this case, the written notice might state:

> *"The customers' self-read was not accepted because the read provided by the customer was lower than the most recent actual meter read we have on record, which is not plausible."*

Compare that written notice to the following, which is possible under the draft rule:

> *"The customers' self-read was not accepted because it did not meet our requirements for self-reads. These requirements are available on our website."*

Further, under draft rule 21(3E), the retailer must also set out a process under its standard complaints and dispute resolution procedures for a small customer to attempt to rectify a customer read estimate that is not accepted.

We support this provision, and believe that the written reasons mentioned in draft rule 21(3D) should be required to include a website link to those procedures.

In the same vein, we also believe that the written notice should be required to advise the small customer that it may lodge an ombudsman's dispute, and include both telephone and email contact details for the ombudsman's office. The draft rule 21(3F) does not necessarily require this advice to be included in the written notice, nor include contact details.

To extend the above example, this might result in a written notification as follows:

> *"The customers' self-read was not accepted because the read provided by the customer was lower than the most recent actual meter read we have on record, which is not plausible.*
>
> *Should you wish to make a complaint or dispute this decision, please refer to our standard complaints and dispute resolution procedures on our website at: [insert URL]*
>
> *Should you wish to lodge a dispute with the energy ombudsman, the ombudsman's office can be contacted on [insert telephone] or [insert email]."*

We consider this level of information is helpful to customers. It clearly explains to the customer why the read was not accepted, and provides clear and accessible options for redress. We believe this promotes the National Energy Objectives to the greatest degree.

Reporting

As mentioned at the outset of this letter, the draft determination presents a number of positive initiatives that promote better customer outcomes in relation to metering and billing.

However, to better understand how these requirements are interpreted, and promote both compliance and competition in this area, we would also recommend that retailers be required to report to the AER quarterly (as part of current National Energy Customer Framework reporting) on:

- the number of customer self-reads received in the 3 month reporting period
- of those reads, the number that have or will be used, unadjusted, as the end-period read for billing purposes.
- for those reads that have not or will not be used, the reasons for this (by category).

This would not only help drive accountability around implementation of the Rules, but will also provide important information to the market about the effectiveness of the Rules and target process improvement / technology opportunities.

Calculation of end-read values

In our view, confidence in the market is promoted if customers have full transparency over how the meter read value on their bill is determined by their retailer, because that meter read is used that to calculate their bill.

We believe retailers need to be transparent in how they can calculate any bill, whether it is based upon and actual, estimate or self-read.

For example, we have to validate actual reads, and calculate estimated reads, in accordance with strict AEMO Retail Market Procedure requirements that are published and freely available.

However, Network Operator / Meter Data Providers aren't the only party validating actuals and calculating estimates – retailers also do this, but they do not appear to have any material constraint on how they do this, apart from needing to use the customers' historical metering data.

We believe that retailers should be required to publish information as to how they use meter data to calculate estimates that they use for billing purposes. We recommend that retailers be required to publish on their website their methodology for validating and estimating meter reads.

Importantly, we also believe this should extend to situations where retailers need to pro-rata usage amounts for billing purposes. Pro-rating is not simply a process for bill smoothing, it may also be used for billing true-ups upon receipt of a customer self-read. To our knowledge, currently there is no complete, publicly available, information regarding how these calculations are undertaken.

Embedded networks

Our understanding is that requirements for exempt sellers, including in relation to estimated reads and customer self-reads, are reliant on the AER's Exempt Selling Guideline.

The AEMC may wish to consider how any new initiatives will apply to exempt sellers given that the AER's Guideline is separate to the NERR.

Special reads for dispute resolution

The AEMC rightly considers that the ability for retailers to charge customers upfront for a meter data check may act as a disincentive for customers to challenge bills. To remove this disincentive, the draft rule requires customers to pay for the costs of a meter data check or meter test only after the review has been completed and the data is found to be correct or the meter was found not to be faulty.

We support the recognition that charging consumers up front for any meter check process acts as a disincentive, and support the draft rule requiring retailers to cover the up-front cost of meter checks, and only being able to recoup this cost if the meter is found to be correct or the customer found to be in error (subject to the customer being made aware of this before initiating any check process).

However, we believe the AEMC should consider a requirement for retailers to explicitly provide the option for customers to request a meter check (under the same

terms) as part of their dispute resolution processes. At this stage, it is not clear to us that this is the case.

Abloy locks

As mentioned in our previous submission, we recommend that the AEMC help ensure body corporates install universal Abloy locks to provide clear and unhindered access to meters installed beyond locked doors (e.g. basements).

For example, we believe this could be considered the model terms and conditions in the standard retail contact in schedule 1 of the NERR, including requirements on retailers to communicate this requirement as part of the contracting process. We are proposing that this apply to new multi-unit developments and not apply retrospectively (requiring retro-fitting of locks to existing buildings).

While the AEMC can't guarantee access, we would like to understand why the AEMC could not put in place measures which standardise responses make sure that all of the procedures in the NERR support accessibility.

Should you wish to discuss any matters this submission further, please contact Alex McPherson on (02) 9867 7229 or alex.mcpherson@jemena.com.au.

Yours sincerely

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