

18/09/2018

Ms Jess Boddington  
Project Leader  
Australian Energy Market Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235

RE: Project number **ERC0241**

Dear Ms Boddington,

### **Estimated Meter Reads**

Simply Energy welcomes the opportunity to provide feedback on Australian Energy Market Commission's (AEMC) Draft Rule Determination regarding Estimated Meter Reads.

Simply Energy is a leading second-tier energy retailer with over 650,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. Simply Energy supports competition and customer engagement in the market, and is committed to providing its customers with accurate and timely energy bills to assist them in managing their utility expenses.

### **Basing bills on actual meter readings**

While in an ideal world billing would always be on the basis of actual meter readings, there are inevitably situations when meters cannot be read. Although estimates will never be perfect, they ensure that energy customers are paying a representative portion of their liability.

Existing rules allow a customer who has received an estimated bill has the right to request an actual meter read, and instalment plans are also available to those who have been undercharged as the result of a billing estimate. From Simply Energy perspective, these principles-based safeguards are adequate in balancing customer and industry interests.

Retailers can and routinely do accept a customer's self-reads in cases where a customer disputes the accuracy of their billing. Simply Energy already allows its customers to provide self-reads and will re-issue bills if the customer's self-read is considered reasonably accurate, and has processes in place to proactively contact customers where their meter was unable to be read due to access requirements.

Simply Energy also notes that the draft rule has been constructed in such a way as to generally reflect the processes already in place to assist customers who wish to submit a self-read, rather than constructing a prescriptive process that does not take account of existing better practice. This should minimise the impact of the rule change on retailers who have provided customers with this service prior to the rule change, however given the practice is existing perhaps it would be of greater benefit to retain the component asking retainers to more accurately describe what an estimate is rather than to prescribe the entire process.

### **Civil penalties**

Civil penalties should only be used to deter serious contraventions under the Rules, particularly in cases where there is substantial risk of customer harm or continued industry malpractice. Given that there is no evidence of malpractice; in fact retailers have shown their intent to ensure consumers are billed accurately by putting in place processes to review billing that is queried can be addressed.

There is ultimately no strong evidence to support further regulatory intervention in estimated billing practices. The proposed rules ostensibly provide guidance rather than forming the basis for enforceable requirements. In view of this, the imposition of an additional civil penalty requirements would merely dilute the legitimacy of the civil penalty regime without furthering consumer interests.

### **Concluding remarks**

Simply Energy would encourage the AEMC to consider the merits and overall benefits that will be derived before implementing any rule changes around estimated billing practices

Simply Energy would, therefore, welcome any further discussion in relation to this submission and the AEMC's broader Consumer Protection Plan. To arrange a discussion or if you have any questions please contact Courtney Markham, Regulatory Analyst, on (03) 8807 1179 or at [Courtney.Markham@simplyenergy.com.au](mailto:Courtney.Markham@simplyenergy.com.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'James Barton', with a stylized flourish at the end.

James Barton  
General Manager, Regulation  
Simply Energy