



25 October 2018

Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Lodged electronically: [www.aemc.gov.au](http://www.aemc.gov.au)

Dear Mr Pierce,

### **Metering Installation Timeframes Draft Rule**

Origin Energy (Origin) appreciates the opportunity to provide a submission in response to the AEMC's draft rule determination (ERC0236) with respect to metering installation timeframes.

Origin recognises that since the commencement of the metering and related services rule change in December 2017, there have been instances where customers have not received acceptable levels of service regarding the installation of new and replacement meters.

Some of the reasons for metering installation delays have been due to market participants adjusting to new service orders and timings, while other issues can be attributable to the new metering rules not providing retailers and customers with flexibility to manage planned interruptions and installation appointments. We believe that the absence of defined rules governing the installation timeframes for new and upgrade meters has also created uncertainty.

The AEMC's draft rule will address many of these issues. In particular, we strongly support the draft rule to allow customers and retailers to agree a date for the provision of metering services. This rule will provide customers with better control over the management of their meter installation which will promote better customer engagement and is consistent with good customer service.

While the draft rule imposes timeframes and exceptions criteria for the different installation scenarios, it does not impose obligations on parties to resolve an exclusion event. We are concerned that in the absence of holding parties accountable for addressing exceptions, there is the potential for customers to experience delays in certain circumstances.

The AEMC has proposed a start date of 1 January 2019 for the final rule. The draft rule as proposed will necessitate changes to retailers' systems, processes and contractual relationships with other parties. It is also likely to require a review of the B2B Procedures to ensure they remain fit for purpose. Because these procedures are pivotal to underpinning the coordination requirements, we believe a penalties regime should not be imposed on the installation timeframes until these procedures are reviewed and operating as intended. However, we consider that there should be an immediate application of the requirement to allow retailers and customers to agree a date for a meter installation and planned interruption. This will ensure that customers receive the full benefit of the rule change with respect to appointment flexibility while at the same time allowing market participants the opportunity to make necessary changes to systems and processes.

Origin's responses to specific issues identified in the draft rule are set out below.

## **Customer Initiated Metering Installations**

The AEMC point out that the different scenarios for installing or replacing a meter can broadly be grouped into three categories: 1) customer initiated installations; 2) replacement of malfunctioning meters; and 3) retailer led installations.

Customer initiated meter requests include installations for new connections as well as meter exchanges at existing premises which may or may not include alteration works.

### *Timeframes for New Connections*

The AEMC draft rule (cl. 7.8.10A) requires that where a new connection is requested at a small customer's premises, the retailer must arrange for a meter to be installed on a date agreed with the small customer or, failing an agreement, no later than six business days of the distribution network service provider (DNSP) informing the retailer that the connection service is complete.

The AEMC notes in its draft determination that the timeframe will start once the retailer has been notified that any connection services are complete. In most cases, it considers that this notification will be from the DNSP and the retailer will be notified via AEMO's *B2B e-hub* or another agreed method.

We strongly support the decision for retailers and DNSPs to use AEMO's *B2B e-hub* to coordinate key stages of the installation of a small customer's meter. The AEMC considered that this should facilitate coordination by ensuring that consistent methods are used across DNSPs and retailers to communicate with each other. However, process sequences to establish a new connection differ across jurisdictions. For this reason, we seek confirmation that the intent of the draft rule is to recognise these jurisdictional differences. For example, In NSW, allocate NMI is required for the DNSP's "permission to connect" agreement, which can be requested in advance but does not give the retailer indication when the site is ready for the meter. In other jurisdictions, the allocate NMI process provides the notification that the site is ready for the meter as it would not be requested otherwise.

Furthermore, the use of the *B2B e-hub* is confined to market participants. As a result, the draft rule does not include a requirement for accredited service providers (ASPs) or other electricians to communicate through the *B2B e-hub*. The AEMC did not consider that this requirement was necessary, as these parties should act as an agent of the customer on behalf of their interests.

However, we believe that there needs to be clarity regarding how an agent of the customer who performs connection services will advise the retailer that the connection service is complete in a time and manner that will enable the retailer to fulfil its obligations under the rule. We believe the most practicable approach would be to require the agent to work with the DNSP to confirm that the connection service is complete and for the DNSP to send the notification to the retailer through the *B2B e-hub*. This would provide certainty to both DNSPs and retailers that the site is ready for a meter and will provide an unambiguous allocation of responsibilities.

Furthermore, Origin believes there needs to be greater clarity regarding the definition of an agent and the onus of proof that the agent has the customer's authority when requesting metering works on their behalf.

### *Timeframes for Meter Exchanges where a Connection Service is Not Required*

The AEMC draft rule (cl. 7.8.10B) requires that where a small customer has requested the retailer to install a meter at the small customer's premises and a connection service is not required, the small customer's retailer must arrange for a meter to be installed on a date agreed with the small customer or, failing an agreement, no later than fifteen business days after the retailer received the request from the small customer for the meter to be installed.

Origin agrees that differentiating the installation timeframe between new connections and meter exchanges is appropriate to reflect the additional parties involved and the added coordination obligations on the retailer.

The draft rule stipulates that the trigger for the installation process is a request from the small customer. The AEMC draft determination states that a precondition is that the customer will need to provide consent for any terms and conditions that might accompany the meter installation before the timeframe starts. However, the rule does not reflect this view. As a result, the draft rule would mean that if a request is made, the retailer would be required to install the meter on a date no later than fifteen business days regardless of whether the customer has agreed to the terms and conditions. We believe the draft rule should be amended consistent with rule 7.8.10C to remove this ambiguity.

#### *Timeframes for Meter Exchanges where a Connection Alteration is Required*

The AEMC draft rule (cl. 7.8.10C) requires that if a small customer has requested a meter to be installed at the customer's premises where a connection alteration is also required, the retailer must arrange for a meter to be installed on a date agreed with the small customer and the DNSP or, failing an agreement, no later than fifteen business days after the retailer received the request from the small customer for the meter to be installed.

Furthermore, the draft rule requires that where a DNSP is providing the connection alteration, it must coordinate the connection alteration with the retailer and other market participants in order to allow the retailer to comply with its obligations. We believe this should include the obligation on the DNSP to provide site information to the retailer to allow for the early identification of site issues which might require rectification works or the attendance of an additional party to perform works such as isolations. We believe this additional obligation will not only avoid delays but will reduce significant costs.

Specifically, to date DNSPs have been unable to provide retailers with clear information regarding connection characteristics such as shared fuses, underground pits, fuse types. This results in retailers and MPs being unable to attend sites and install a meter before seeking coordination assistance from the DNSP. This creates delays, a very poor customer experience and creates extra costs to the industry due to the inability to provide known site information upfront. DNSPs should be obligated to make this information freely available to retailers to enable better planning of metering exchanges.

The draft rule makes clear that the date for the installation is to be agreed with the small customer and the DNSP. This implies that the connection alteration is complete but it is not explicit. In the event that a site is not ready, the exclusion provision would remove liability from the retailer. However, this will create unnecessary delays from wasted site visits that could otherwise be avoided if the rule made clear that a precondition was that the connection alteration was complete and the retailer informed.

Furthermore, in the event that a DNSP is providing the connection alteration, it must do so in a time that provides the retailer with a realistic opportunity to meet its metering obligations. To enable this, we believe the connection timeframes in a DNSP model standing offer to provide standard connection services should be consistent with the timeframes contained in the draft rule.

The AEMC also note that where the connection alteration is provided by a party acting as an agent of the customer, such as an ASP in New South Wales, there will not be an explicit requirement for the retailer and agent to coordinate. As stated above, Origin believe that coordination and scheduling of works must be undertaken using the B2B Procedures to ensure transparency and efficiency in the scheduling of works. We also believe that the form of consent between a customer and an agent needs to be made available to retailers to enable retailers to meet their obligations regarding consent.

#### **Metering Installation Malfunctions**

The draft rule proposes that unless an exemption is obtained, a Metering Coordinator (MC) must, with respect to a malfunctioned meter:

- repair or replace a type 1, 2 or 3 metering installation no later than 2 business days after the MC has been notified;
- repair or replace a small customer's metering installation no later than 15 business days after the MC has been notified; and
- for all other metering installations repair or replace the meter within 10 business days after the MC has been notified.

Origin agrees with the rule proposal submitted by the AEC regarding the installation timeframes for a malfunctioned meter; notably that with the additional coordination obligations across multiple parties, the replacement of a malfunctioned meter will take between 17 and 22 business days. This assumes that the appointment of the MC and MP takes four business days due to an AEMO requirement in the MSATS procedures for roles to be appointed sequentially and that mandatory objection periods apply when the change request is initiated.

However, the AEMC has taken advice from AEMO that advised it does not consider that the role nomination process is a factor which would delay the installation of metering equipment. AEMO consider that the process which formally establishes the new responsible MC and MP to the connection point can run simultaneously with the initiation of service requests for the rectification of a malfunction.

On that basis, the AEMC suggest that by reducing the objection period for metering role changes to be set to zero days in cases where an existing accumulation or manually read interval meter needs to be replaced with an advanced meter could ensure that a meter could be replaced in 15 business days.

We are concerned that removing the ability for participants to object could create unintended consequences; for example, the incorrect appointment of an MC without the ability to object. We believe that before reducing or removing the ability for a market participant to lodge an objection there should be volume testing to make an objective decision regarding the materiality of the decision.

The AEMC has stated that its expectations are that the timeframes on meter installations will apply equally to small customers within urban areas as to those in rural or regional areas. The AEMC considered that it was appropriate for all small customers to face equal protections under the energy rules. Origin agrees with these sentiments. However, the replacement of a malfunctioned meter does not impact on the service being delivered to customers. On that basis, we consider that the rules should reflect operational practices and provide retailers with a reasonable opportunity to comply with the rules.

Furthermore, it is not cost effective for rural meter replacements to be replaced sporadically as this limits the ability of an MP to optimise the number of meters installed in a given trip. To ensure MPs can optimise services, retailers ought to be allowed to group rural customers and perform bulk replacements to achieve scale and reduce costs. DNSPs can assist with the planning of these replacements by providing improved information regarding malfunctioned meters as contained in their metering management plans for their meter fleet.

### **Co-ordination Requirements**

The draft rule requires that any communications required between the retailer and the DNSP with respect to the various metering installation scenarios must be made promptly through the *B2B e-Hub* or any other agreed method.

Origin supports the requirement for the use of the *B2B e-Hub* to be the default form of communications. We consider that B2B communications are essential to provide market participants with certainty and consistency with respect to the exchange of information (appointment date, time and contact details etc) between parties and to identify responsibilities through a metering installation process. We believe market transactions are fundamental to support identifying points of accountability.

As pointed out above, process sequences to establish a new connection differ across jurisdictions. For this reason, we seek confirmation that the intent of the draft rule is to recognise these jurisdictional differences. Furthermore, DNSPs currently also pass through considerable costs for attending to coordinated work and consideration needs to be given to whether this is appropriate when their connection methods are responsible for the MP not being to isolate the site without their need.

Origin also seeks clarity regarding the term “promptly”. Origin understands that the B2B Guidelines already set out timeframes regarding when communications are to be processed. Obligations in the rules regarding communications should be consistent with the B2B guidelines.

### **Exceptions**

The draft rule allows for retailers to gain an exception to the meter installation timeframes in the following situations:

- the proposed site for the meter is not safe;
- the proposed site is not accessible;
- the meter installation is at a multi-occupancy site, where an interruption to the power supply would affect third party customers;
- with respect to a new connection, the connection service has not been completed;
- with respect to an installation where a connection alteration is not required the site is not ready for the meter to be installed; and
- with respect to an installation where a connection alteration is required the customer has not met the conditions that it is required to comply with under its connection contract.

Origin notes that the AEMC has not proposed exception events to apply to the replacement of a malfunctioned meters. We believe that exceptions for the safety and accessibility must also apply to the replacement of a malfunctioned meter.

Origin agrees with the draft rule to provide that on and from the date that an exception ceases to apply, a retailer can agree a new date with the small customer or that the defined installation timeframe for the metering scenario starts again.

However, in the event that a connection service has not been completed or that the site is not ready for the meter to be installed, there does not appear an obligation on the DNSP, ASP or agent of the small customer to remedy the deficiency other than what is contained in the DNSPs model standing offer for connection services. We are concerned that without punitive measures, there is no incentive for these parties to address the fault in an expeditious manner.

### **Informing Customers of Installation Timeframes**

Origin supports the draft rule to include amendments to the National Energy Retail Rules (NERR) to require a retailer to publish on its website its obligations with respect to the installation timeframes for the differing metering installation scenarios. We believe this will provide customers with a verifiable reference to engage with retailers, DNSPs and their agents.

### **Planned Interruption Notifications**

Origin strongly supports the draft rule to provide retailers with the flexibility to agree with customers the specified date for any planned interruption. However, we note that under the draft rule, in the case where a small customer has agreed with the retailer to a planned interruption that is later than the timeframe mandated in the rules, the MC will still need to apply to AEMO for an exemption.

We believe that providing customers with flexibility to agree the specified date for an interruption should accommodate a customer’s preferred date irrespective of whether it is shorter or longer than currently set out in the rules. We note that with respect to agreeing an installation date, the AEMC considered

that a 'customer could schedule the meter installation at a time that suits them, including at a later date if, for example, the customer has a holiday planned or needs to arrange for a device such as a solar system to be installed first.'

We believe there ought to be consistency between the arrangements governing a customer's ability to agree a metering installation time and their ability to agree a planned interruption. Otherwise this will create confusion for the customer in the sense they can nominate their meter installation date but can't agree an interruption date if it is later than the four day timeframe.

#### *Consent*

We understand that in terms of obtaining consent from the customer with respect to the requirements of NERR Rule 59C, the NERR allows customer consent to be obtained through "any appropriate means" provided that it is in a format and including such information to enable the retailer to answer enquiries from the customer relating to the agreement. The draft rule also requires retailers to retain this record for a period of at least seven years.

We consider that the requirement for the retailer to retain a record of this agreement for a period of at least 7 years is onerous. We believe that this obligation should be reduced to 2 years.

#### *Life Support Customers*

We agree with the views of the AEMC that life support customers should have the flexibility to agree on a date for metering related works with their retailer if they choose to do so. Under the draft rule, current provisions in the NERR that provide additional protections for life support customers will continue to apply. If a retailer is not able to contact a life support customer, the retailer will be required to provide a minimum of four business days' written notice of the planned interruption.

In addition, where a life support customer agrees with the retailer on a date for the retailer planned interruption, the retailer must give the life support customer written notice of the expected time and duration of the interruption and specify a 24 hour telephone number for enquiries. Origin supports this proposal as a method of providing better support to customers.

#### *Large Customers*

The draft rule extends to large customers the same ability to agree with a retailer on a date for a planned interruption notice. The AEMC considers the draft rule would provide increased flexibility for both retailers and large customers while providing an appropriate level of consumer protection. Removing the requirement to provide large customers with a planned interruption notice creates a risk that these customers do not receive sufficient warning of an interruption to their supply and, as a result, will not have adequate time to prepare for an interruption.

On the basis that large customers are permitted to appoint their own metering coordinator, we believe that the planned interruption notification function will effectively be an administrative requirement. Nevertheless, we believe that the customer must have the ability to schedule an interruption to avoid business disruption regardless of whether it is sooner or later than the 4-day requirement.

#### **Civil Penalties Regime and Transitional Arrangements**

Origin recognises that the installation timeframe obligations for malfunctioning meters under the NER and the planned interruption notification obligation under the NERR rule 7.8.10(a) are currently classified as civil penalty provisions.

The AEMC has proposed making a recommendation to the COAG Energy Council to extend the current civil penalty provisions to the new timeframes for other types of metering arrangements.

Origin understands that penalties act as a deterrent to non-compliance and support the reduction in delays in the installation of new meters.

The AEMC proposes a commencement date of 1 January 2019 for the changes to Chapter 7 of the NER and new clause 56C of the NERR; being approximately one month after the publication date for the final rule and determination. The provisions related to retailer planned interruption notifications are proposed to commence on 6 December 2018.

The new obligations under the draft rule will require changes to systems, processes and contractual relationships with other parties. For these reasons, we believe the B2B Procedures will need to be reviewed to ensure they remain fit for purpose. Because these procedures are pivotal to underpinning the coordination requirements, we believe a penalties regime should not be imposed on the installation timeframes until these procedures are reviewed and operating as intended.

However, we consider that there should be an immediate application of the requirement to allow retailers and customers to agree a date for a meter installation and planned interruption. This will ensure that customers receive the full benefit of the rule change with respect to appointment flexibility while at the same time allowing market participants the opportunity to make necessary changes to systems and processes.

Furthermore, we also believe that the AEMC needs to consider that there will be a number of installations that are "in-flight" over the introduction of the draft rule and that there should not be any retrospective application of any new rule to these installations.

### **Closing**

Origin strongly supports the proposed rule changes that will enable customers to agree service installations and planned interruptions. We believe these are fundamental to good customer service and promoting engagement.

We also strongly support the decision for retailers and DNSPs to use AEMO's *B2B e-hub* to coordinate key stages of the installation of a small customer's meter. However, the differences in process sequences to establish a new connection and to undertake a connection upgrade across jurisdictions need to be better reflected in the draft rule. This should extend to requiring DNSP's to share site information to enable cost efficient solutions to be developed for customers.

Similarly, to ensure the successful implementation of the draft rule, we consider that a review of the B2B Procedures are necessary to ensure that market participants engage in manner intended by the draft rule to deliver the installation timeframes. As a result, the application of penalties regime should not start until this review is complete.

If you have any questions regarding this submission, please contact Sean Greenup in the first instance on (07) 3867 0620.

Yours sincerely



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