

25 October 2018

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

Submission via AEMC website portal

Dear Mr Pierce,

Consultation on:

- **Draft National Electricity Amendment (Metering installation timeframes) Rule 2018**
- **Draft National Energy Retail Amendment (Metering installation timeframes) Rule 2018**

Simply Energy welcomes the opportunity to provide feedback as a part of the consultation on the draft National Electricity Rules (NER) and draft National Energy Retail Rules (NERR) regarding metering installation timeframes.

Simply Energy is a leading second-tier energy retailer with over 660,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. Being a consumer-centric organisation, Simply Energy supports the key objectives of the draft amendments as well as the majority of the proposed provisions. While acknowledging that the current draft amendments provide a greater level of service standards, Simply Energy considers some of the obligations need to be made clearer. In exploring the requirements of the draft rules (NER and NERR collectively), Simply Energy's submission evaluates:

- The adoption, development and standardisation of B2B framework.
- Planned interruption notification requirements.
- Implementation date for the rule change.
- 'In-flight' jobs related to metering installations and exchanges.
- Other considerations to enhance the operation of the proposed requirements.

The adoption, development and standardisation of the B2B framework

AEMO's B2B e-hub supports and facilitates communications between different parties involved in providing metering services. Simply Energy strongly supports the proposed amendments to the NER under rules 7.8.10A(d) and 7.8.10C(e) that require retailers and distributors to use AEMO's B2B e-hub to coordinate key stages of the metering installation process.

In saying that, Simply Energy recommends that conditions need to be placed on the use of *'any other agreed method'* as set out in the draft rules. Simply Energy considers that if an alternative process other than the B2B e-hub is used the rules need to ensure that:

- distributors are not able to simply impose procedural requirements on retailers without due consultation and mutual agreement; and
- if mutual agreement cannot be reached between retailers and distributors, then the B2B e-hub must be used as the default mechanism.

It should also be noted that since the most recent reform to the B2B framework in December 2017, the B2B e-hub has been inconsistently used across various jurisdictions. Given that stricter service levels have been proposed, an improved and consistent B2B framework is a necessary step in improving customer service timeframes. To explain the current inconsistencies in further detail, some of the key jurisdictional differences are outlined below.

South Australia

South Australia does not support some of the transactions under the B2B e-hub, as it has legacy processes in place. This, in turn, causes inefficiency in the national framework, as well as operational inefficiencies for companies like Simply Energy that operate across multiple jurisdictions. Further, the legacy requirements also create issues for customer relationship management, as retailers are unable to address customer queries due to a lack of procedural transparency and control over the end-to-end process.

B2B Procedure	Transaction Type	Sub Type	SAPN to Initiate	SAPN to Receive
Service Orders	Supply Service Works	Allocate NMI	No	Yes
Service Orders	Supply Service Works	Establish Permanent Supply	No	No
Service Orders	Supply Service Works	Establish Temporary Supply	No	No
Service Orders	Supply Service Works	Establish Temporary in Permanent	No	No
Service Orders	Supply Service Works	Supply Abolishment	No	Yes
Service Orders	Supply Service Works	Supply Alteration	No	No
Service Orders	Supply Service Works	Tariff Change	No	No
Service Orders	Supply Service Works	Temporary Isolation	No	Yes
Service Orders	Supply Service Works	Temporary Isolation – Group Metering	No	Yes

Related to new connections

Related to alterations

Ref: <https://www.sapowernetworks.com.au/public/download.jsp?id=226273>

Retailers operating in South Australia only have access to a network-driven portal which is a read-only platform and does not appropriately address B2B communication requirements (two-way communication). While enhancements have been made to these off-market platforms, current South Australian processes do not provide for an adequate B2B framework. The existing process operates as follows:

- The retailer informs the distributor to allocate a meter number (as per B2B Procedures).
- The distributor then provides the meter within 2 business days (as per B2B Procedures).

- The Retailer waits for the distributor to send an email advising that the site is ready a meter to be installed (B2B Procedure not used).

The fact that B2B procedures have not been utilised for new connections in South Australia is major concern for Simply Energy, particularly given that the proposed installation timeframe is only 6 business days. As such, the process phase where the retailer advises the distributor to the connection work, as depicted in figures 4.1 and 4.3 of the Draft Rule Determination, never actually occur in practice.

In view of this, Simply Energy would support the adoption of these processes in South Australia. Simply Energy considers that adopting these procedures will lead to greater operational efficiency and work in favour of the industry, and eventually, end-use customers.

New South Wales

New South Wales distributors do not support communications with retailers through the B2B e-hub. Like in South Australia, this may cause issues, albeit at a different level, due to the existence of the service transactions under the Accredited Service Provider (ASP) scheme, as outlined in the table below.

Service Type	Service Sub Type
Supply Service Works	Tariff Change
Supply Service Works	Supply Alteration
Supply Service Works	Supply Abolishment
Supply Service Works	Establish Temporary Supply
Supply Service Works	Establish Temporary in Permanent
Supply Service Works	Establish Permanent Supply
Supply Service Works	Temporary Isolation

Ref: <http://www.endeavourenergy.com.au/wps/wcm/connect/3ddd436e-d906-4530-a6b5-a859aee4be2b/Metering+Contestability+Network+Standard.pdf?MOD=AJPERES>

The above B2B transactions are automatically rejected by distributors in New South Wales, as distributors do not offer these services. However, since ASPs are not subject to B2B rules either, it results in another gap in the procedural requirements, as retailers are unaware of the end-to-end lifecycle of the metering installation process.

As a result, the flow of activities in New South Wales for a new connection is as follows:

- The retailer informs the distributor to allocate a meter number (as per B2B Procedures).
- The distributor provides the meter number within 2 business days (as per B2B Procedures).
- The retailer informs the customer of the meter number and advises customer to appoint an ASP to undertake the connection works.
- The retailer waits for the next steps, which involves either the customer or an authorised contact person informing the retailer that the site is ready for a meter to be installed. (B2B Procedure not used).

As such, just like in South Australia, the process phase where the retailer advises the distributor to undertake connection work, as depicted in figures 4.1 and 4.3 of the Draft Rule Determination, never occurs in practice. While Simply Energy acknowledges that distributors in New South Wales do not offer connection services, Simply Energy considers that operational efficiency will be derived from the adoption of these transactions as a communication mechanism facilitated by New South Wales distributors.

Other jurisdictions

Distributors in Queensland and Victoria both use most transactions in B2B e-hub. As a result, the operational processes in these States are generally reliable, trackable and well controlled. Further, processes in these State are almost fully aligned with the process flows in figures 4.1 and 4.3 of the draft rule determination.

While it is accepted that there will always be some form of jurisdictional difference, Simply Energy is of the view that an improved and harmonised B2B framework would benefit all participants. As such, Simply Energy recommends that the AEMO's Information Exchange Committee should take an action to revise the B2B procedures. That said, as in the interim, Simply Energy considers that the current B2B procedures should be adopted across all jurisdictions.

[Planned interruption notice requirements](#)

Simply Energy also has some suggestions to improve the plan interruption notice requirements under the rules with a focus on:

- large customers;
- small customer consent;
- the requirement to provide a 24-hour contact number; and
- faulty meter timelines.

Large customers

Simply Energy recommends amendments be made to rule 59C(8) of the NERR to exclude the application of the rule to 'large customers' for the following reasons:

- The National Energy Customer Framework is intended to provide protection to small customers, rather than large commercial and industry consumers who have sufficient resourcing and bargaining power to uphold their own interests.
- Large Customer will not benefit from the interruption notification requirements because the majority of large sites have current transformer (CT) meters installed, which are not affected by supply interruptions.
 - There is no mechanism for retailers to identify which site has a CT meter installed and which does not.
 - Until such time as the Marketing Settlements and Transfer Solution (MSATS) database has this information, Simply Energy does not support sending outage letters to large customers.
- The large customer market has been managing meter churn for several years. In fact, retailers were even managing this activity prior to inception of the power of choice rule change under the 'Responsible Person' obligations. As such this practice has become a business-as-usual activity.

In view of this, Simply Energy considers that extending notification requirements under the NERR is unnecessary and should be left to a retailers' own discretion as a customer service instead of an obligation.

Small customer consent

Simply Energy supports the introduction of rule 59C(1) of the NERR and is therefore, of the view that rule 99A(1) is not necessary. Simply Energy considers that rule 59C(1) in effect negates the need to inform the distributor of a planned interruption if customer has already provided consent. The reasons for this recommendation are set out below:

- The rationale behind this requirement was to ensure the distributor was aware of a *Retailer Planned Interruption* in order to address customers' queries during an outage. However, in this case, it is the customer who has provided consent to the interruption.
- There is also no evidence so far that the distributors are using this information and hence even if there is a *Retailer Planned Interruption* scheduled for the date, on receipt of a call from the customer distributors are still going out to customer premises to investigate the issue.

The requirement merely adds further operational costs with no known additional benefits for consumers. Therefore, Simply Energy recommends 99A(1) to be only applicable under normal circumstances where no customer consent has been received or if a customer has life support requirement.

Additionally, Simply Energy suggests that the rules should include a timeframe for obtaining customer consent. For example, if within two business days of receiving a meter installation/exchange request, a retailer is unable to obtain customer consent, or the customer has not been contactable, the maximum installation timeframe should apply. If the process is not carried out this way, then retailers will not have an opportunity to obtain prior consent from their customers.

Lastly, Simply Energy does not support the requirements under the new proposed rule 59C(1) that impose an obligation on retailers to retain a record of consent for least 7 years. Simply Energy recommends that the AEMC should consider mirroring the 'explicit informed consent' record keeping requirements of 2 years.

24-hour contact number

Simply Energy understands the reasons for providing a 24-hour contact number to distributors. However, Simply Energy does not support the mechanism proposed rule 99A(1)(ii) of the NERR for following reasons:

- The proposed rule requires retailers to provide a 24-hour contact number as a part of the retailer planned interruption which is a B2B transaction on a per NMI basis. As such, transactional changes will be needed to accommodate this requirement unless an open text field is used, which is not desirable.
- The proposed rule should not be over-prescriptive in providing the 24-hour number and should provide flexibility to retailers around other ways they can provide this number to distributors. For example, by publishing it on their website or other means.

Faulty meter timelines

Simply Energy acknowledges that the current meter installation timeframes have been set at 15 business days in 'all cases' regardless of whether or not a connection alteration is required. While Simply Energy supports the maximum timeframe service levels, Simply Energy recommends that an additional 3-5 business day contingency be factored in to accommodate for meter exchanges. The below table provides a breakdown of tasks for a typical meter exchange scenario, where customer in a regional area has chosen 'mail' as a preferred contact method.

Task and process	Business days
Request received by Retailer	Day 1
B2M: Change of Roles (CR 6300) B2B: Service Order Creation	Day 2
Planning/scheduling of work by MC/MP	Day 3
Planned Interruption Notice sent (assuming no consent received)	Day 4 to Day 10 (as per Australia Post timeframes for Country locations max. 6 business days)
Meter exchange scheduled date (considering min. 4 business days from the receipt of PIN)	Day 14-15

Based on the above timeline, there is no room for scheduling (thus losing possible efficiencies) and retailer service levels are put under pressure.

It should also be kept in mind that distributors were historically required to provide metering related services within 20 business days.

The following 20 business day requirements applied to distributors:

- Meter exchanges (adds & alts) across all jurisdictions (including Solar)
- Move meter scenarios
- Meter tests/investigations
- Meter reconfigurations (manual)
- Meter removals

Mirroring these timeframes would maintain customers' expectations of service standards.

Simply Energy also considers that exceptional circumstances should be taken into account where a connection alteration appointment is required, as the party managing the co-ordination should be responsible for gaining customer consent. This party is not always the retailer. Simply Energy also recommends adding further clarity in the NER about the management of complex scenarios, which should be exempted from the maximum metering installation time frames, including but not limited to multi-occupant and shared fuse sites.

Further, Simply Energy strongly considers that 'end-of-life (EOL) and family failure' meters should be exempted from the definition of 'malfunction' and as such, the maximum metering installation timeframe should not apply. The key reasons for the proposal are set are:

- Sporadic influx of '(EOL)/family failure' data from various networks makes it extremely challenging to schedule jobs.
- Historically, these meters were dealt with by the distributors at their own discretion (and as per their planned schedule) with no timeframe obligations. If this met customer requirements when conducted by distributors, Simply Energy considers that timeframe obligations for this work when conducted by retailers is unnecessary.

Implementation date

In terms of the implementation date for the rule change, Simply Energy recommends that all these new rules are made effective at the same time, because they are interrelated.

Although Simply Energy believes it can comply with all these new requirements, it requests that a minimum of a one-month transitional period should be provided from 1 January 2019 to 31 January 2019. This will ensure all post-implementation issues can be more effectively identified and resolved. Furthermore, December is the busiest month for new connections, exacerbated by resourcing constraints in the industry due to the holiday period. With this in mind, Simply Energy recommends a one-month transitional period as the most practical approach to ensuring industry compliance.

Simply Energy also does not have any objection with the application of the new rules to any backlog for metering exchanges, on the assumption that the one-month transitional period is adopted.

Other considerations

Simply Energy would also appreciate the AEMC giving consideration to providing further clarity:

- on customers that are classified as “sensitive load” to avoid an inconsistent approach across the industry; and
- Accredited Service Provider (ASP) led services are not clearly defined in the draft NER; however, it has been noted in the draft determination. Simply Energy is, therefore, seeking further clarity in the NER to ensure the initial trigger of metering installation timeframe in NSW is clearly understood and measured.

Further, Simply Energy considers that Victorian small customers with contestable metering should be considered as an exception to the proposed draft rules due to Order in Council in place.

And as a final point, in response to AEMO’s proposal in draft determination, Simply Energy is indifferent to the objection period of MSATS to be made ‘zero’ days.

Proposed next steps

Simply Energy considers that there is a strong need for industry-wide collaboration and cooperation. In view of this, as an immediate action, Simply Energy recommends that the Information Exchange Committee addresses the gaps in B2B procedures as a priority. While Simply Energy acknowledges that B2B procedures requires full consultation and would not be made effective before the proposed implementation date, it would be highly beneficial to enhance these procedures in parallel to meet the longer-term objectives of this rule change.

In closing, Simply Energy would welcome the opportunity to engage with the AEMC, as well as other key stakeholders such as AEMO and Information Exchange Committee to further explore any gaps in the current process that can be identified and hence worked on.

Simply Energy looks forward to engaging with you on these matters. If you have any questions or would like to engage in discussions with Simply Energy, please contact Aakash Sembey, Industry Regulations Manager, on (03) 8807 1132 or Aakash.Sembey@simplyenergy.com.au.

Yours sincerely



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