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Stephanie Flechas
Australian Energy Market Commission
Sydney NSW
Email: stephanie.flechas@aemc.gov.au

4 March 2019

Dear Ms Flechas

AGL Energy (AGL) welcomes the opportunity to provide feedback on the Australian Energy Market Commission's (AEMC's) Consultation Paper on Bill Contents – Customers with Internal Meter Rule 2019.

AGL includes a start and end meter reference reading for each billing period in the bills of customers with an advanced interval meter in all National Electricity Market (NEM) jurisdictions.

However, AGL does not believe the proposed Rule should be made as our experience with including reference reads is that they do not assist the customer to verify the accuracy of the bill. AGL provides the reference reads to support customers in the transitional phase from basic meters (end read minus start read equals kWh) to smart meters (multiple consumption data points added together equals kWh). We provide notification on the bill and our web-site under '[Your Bill Explained](#)' to make it clear that these reads cannot be used to verify the bill.

In general, billing of consumption is calculated by adding together all the intervals of consumption data (recorded in 15/30 min) relevant for the billing period x the applicable rate/price. There are multiple scenarios where the reference reading displayed does not align with actual consumption.

We provide more detail on these scenarios and the impact on customers in the attachments below.

AGL believes retailers are incentivised through the competitive market to seek out solutions to provide customers with the appropriate tools to easily verify the accuracy of their bills. In fact, AGL has introduced several tools over the last few years in response to the increased penetration of digital meters in Victoria and other jurisdictions. For example, every AGL customer is eligible to set up a My Account or use the AGL App to monitor their usage and verify their bill. My Account customers can immediately adjust an incorrect bill, provide a read to be used for billing, or receive feedback on costs incurred to date and projected billing. AGL also provides customers with an advanced interval meter with an Energy Insights Report. Energy Insights is a tailored report on how customers use electricity in their home across various appliances.

Confidential information has been omitted for the purposes of section 24 of the Australian Energy Market Commission Establishment Act 2004 (SA) and sections 223 and 268 of the National Energy Retail Law. Where the information has been omitted, it has been replaced by the word confidential.

Should you have any questions in relation to this submission, please contact Con Hristodoulidis, Senior Manager Regulatory Strategy, on 03 8633 6646 or christodoulidis@agl.com.au.

Yours sincerely,

(signed for electronic transmission)

Elizabeth Molyneux
General Manager, Energy Markets Regulation



CHAPTER 4 – ASSESSMENT FRAMEWORK

<p>1. Is the proposed assessment framework appropriate for considering the rule change request?</p>	<p>Yes, AGL supports the proposed assessment framework for considering the rule change request, to determine if the proposed Rule:</p> <ul style="list-style-type: none"> • Enhances competition between retailers • Enhances customer information and decision-making • Engenders improved transparency and trust in retailers • The benefits and costs associated with the rule change proposal.
<p>2. Are there other relevant considerations that should be included in the assessment framework?</p>	<p>Not applicable</p>

CHAPTER 5 – SECTION 1 - ISSUES

<p>3. To what extent is it an issue that a retailer is not required to provide to a small customer with an interval meter the start and end meter reading in the bill?</p>	<p>Customers are entitled to access their meter data. Since the commencement of Power of Choice, the retail competitive market has already begun to develop various mechanisms to provide customers with access to their data.</p> <p>Customer tariffs are generally based on multiple prices for different periods of the day and week, such as peak and off-peak.</p> <p>In order to determine their energy bill, customers need to understand their usage during these different time periods in order to apply the appropriate rate for that usage.</p> <p>The introduction of smart meters allows networks and retailers to offer products which are more relevant to the customers usage patterns, but which are not simple arithmetic calculations based on start and end reference reads.</p> <p>AGL already provides the index reads on bills for customers with smart meters across the NEM jurisdictions.</p> <p>However, it is important to note that while we provide this information, reference readings cannot be relied upon to verify billing. We provide advice on our bills that the reference reads are a 'guide only' and may not reflect actual consumption.</p> <p>Billing of consumption is calculated by adding together all the intervals of consumption data (recorded as 15/30 min consumption) relevant for the billing period multiplied by the applicable rate/price.</p> <p>There are multiple scenarios where the reference reading may not be accurate for billing verification purposes. For example, the meter can be reset to 0 (also known as zeroed). This can occur when the meter is:</p> <ul style="list-style-type: none"> • reprogrammed, probed or data is downloaded • annual firmware updates occur • meter reconfiguration changes for solar • meter exchanges • other activities involving changes to meters. For example, when the 5-minute settlement Rule commences, a substantial number of customer meters will start to be re-configured for 5-minute load recording. At this time each reconfigured meter will be downloaded and then reset.
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Your electricity supply details.

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Supply address:
Supply period:
NMI:
Energy Plan:



Meter no.	Read type	Start reference ¹	End reference ¹	kWh
700257033	Actual	4	15	11.482

¹These reference reads are a guide only and may not reflect the total energy consumption for this billing period. Your next meter read is due between 7 Aug 2018. Please ensure easy access to your meter on these days.

How we've worked out your bill.

Previous balance and payments.		Total
Previous balance	\$29.80	
28 Feb 18 payment	\$29.80cr	
Balance brought forward		\$0.00

New charges and credits.				
Usage and supply charges	Units	Price	Amount	
Peak	11.482kWh	\$0.29	\$3.33	
Supply charge	90 days	\$0.84	\$75.60	
Total charges				+ \$78.93
Total new charges and credits				= \$78.93
Total GST				+ \$7.89
Total due (includes GST)				= \$86.82

a. Is it any different for customers with advanced interval meters?

See comments above.

With more advanced interval meters to be roll out and more digital near real-time solutions/tools available to customers, is it likely that this issue becomes more or less prevalent over time?

As the AEMC has outlined in the Consultation Paper, digital meter penetration in non-Victorian NEM jurisdictions is very low but growing.

AGL believes with more interval meters being rolled out in these jurisdictions, the prospect of customer confusion in using index reference reads to verify billing will increase.

What are the tools offered to customers with advanced interval meters to understand their bill and energy consumption?

Existing mandated processes of providing interval data to customers would be of more value to a customer for bill verification/comparison, than the reference reading.

Further, retailers have also or are in the process of developing tools to assist customers verify the accuracy of their bills.

AGL provides an "Your energy bill explained" guide to customers, <https://www.agl.com.au/help/payments-billing/your-energy-bill-explained>

In the residential electricity bill explanation we refer to the use of the index read only being guide for smart meters::



	<p>10. Find your meter read details here</p> <p>In this section, you'll find your meter read details, including whether an actual or estimated read has been taken.</p> <p>These are used to calculate your electricity bill for the billing period.</p> <p>If you have a smart meter, the reading will be a guide only and may not reflect the total amount of electricity you have used in this billing period. Your bills will be calculated using half hourly intervals of data provided to us. To see your detailed usage, visit agl.com.au/myaccount</p> <p>Every AGL customer is eligible to set up a <i>My Account</i> or use the AGL App to monitor their usage. As of June 2018, 44% of customers are registered for My Account, the AGL App and other digital services.</p> <p><i>My Account</i> customers can immediately adjust an incorrect bill, provide a read to be used for billing, or receive feedback on usage incurred to date and projected billing. This has received a very positive response by customers and has led to a significant reduction in network special meter reads.</p> <p>Further, over 2017/18, My Account and other digital interactions averaged 2.49 million monthly interactions, up from 1.57 million in 2016/17 (<i>source: AGL Sustainability Report, 47</i>).</p> <p>AGL does not publish reference readings on our digital platforms, as anecdotal feedback suggests index readings cause more confusion to our customers, instead of assisting. This is because it is not a reading and cannot be used to calculate the dollar value of their consumption.</p> <p>Customers without access to a digital service can contact AGL's Service Centre for support with verifying their bill.</p>
<p>What are the tools offered to customers with interval meters (type 5)?</p>	<p>See comments above.</p>
<p>How many complaints do stakeholders receive related to the issue raised in this rule change request?</p>	<p>As mentioned, AGL provides start and end index reads for customers with digital meters. While penetration of digital meters is low in non-Victorian NEM states, AGL has received limited complaints directly related to the index reads and verifying usage as shown bills. Confidential.</p>

CHAPTER 5 – SECTION 2 – OTHER ISSUES

<p>4. What tools are available to customers with advanced interval meters to understand their use, reading and installation?</p>	<p>See response to question 5.</p> <p>As the AEMC has pointed out, other industry participants, the Ombudsmen Schemes and the AER also provide information to customers to understand their use, reading and installation of a smart meter.</p>
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5. Do you consider that the information available for customers is adequate to understand advanced interval meter use, reading and installation?	Yes
6. What additional information should be publicly available for customers to understand advanced interval meter use, reading and installation?	See comments for question 5.

CHAPTER 5 – SECTION 3 – SOLUTIONS

7. What are the costs and benefits of eliminating the transitional rule?	<p>Specifically, the AEMC Consultation Paper considered the “usefulness of including cumulative readings when customers are billed on demand or time-of-use tariffs”.</p> <p>Reference readings are not a logical reference point for customers that have pricing structures based on load shape and profile, i.e. time-of-use and in future demand pricing, where a different rate can be charged based on the time the consumption is used.</p>
8. What are the costs and benefits of adopting the Victorian solution?	<p>AGL believes the Victorian solution has several issues that make the use of reference reads problematic for bill verification purposes, including:</p> <ul style="list-style-type: none"> • The regulation requires retailers to provide a reference reading as close to the start and end of the billing period as possible. If no reference reading is provided for the first day (start reference), AGL will display the reference reading for the second day and continue this until confidential. The same is true for the last day of the bill cycle (end reference). If a reference reading is not available within the confidential of the billing period or the last, N/A will be displayed. The time and date the reference reading was taken is not displayed on the bill. In last calendar year there was confidential cases where no reference reading was provided within the confidential of the billing period. • There is also no mandate on the time of day (minute: hour) the reference reading must be taken or displayed for. This means we can receive a start reference reading from 8pm on the first day and 7am on the last day. This results in several hours of consumption data not being factored into the reference readings, therefore not cleanly calculating to the kWh charged on the bill. Further, the end read of the prior bill, does not necessarily equal the start read on the next bill. • We do not receive start reference readings from the distributors until +1 day following in-situ transfer, move in transfer, meter exchange, new connection. <p>Therefore, the index read does not allow customers to verify consumption and can therefore be inaccurate in verifying a bill.</p> <p>Additionally, customers do not find it easy to locate the reference reading on their meter, as they need to scroll through multiple</p>



	screens, which is more complex and confusing when multiple registers are configured (eg. Solar).
9. What are the reasons for retailers to exclude cumulative readings in the bills for other NEM jurisdictions when this information is disclosed in the bills in Victoria?	See comments under question 12.
10. Are there any alternative solutions to consider that may have greater benefits and/or lower costs?	<p>Retailers are incentivised in a competitive market to develop solutions to support customers understand their bills and usage. The market has already started to develop such tools. For example, AGL has begun to provide all customers with a digital meter with an Energy Insights Report, https://www.agl.com.au/youreenergyinsights</p> <p>Energy Insights is a tailored report on how customers use electricity in their home across various appliances and includes tips on how to be more efficient based on usage patterns in the report.</p>
11. To what extent, if any, will the Consumer Data Right reform address the issues raised in the rule change request?	As the AEMC Consultation Paper states, the Consumer Data Right (CDR) framework will enable customers to access their usage, product and pricing information and verify if they are on the 'best available' offer. As such, AGL believes that CDR framework will create extra incentives for retailers to improve their services to customers to provide a value proposition for the customer to remain with a retailer, this would include including services for customers to understand their bills.



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