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9 June 2016

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

Dear Mr Pierce

ERC0196 - NATIONAL ELECTRICITY AMENDMENT (USING ESTIMATED READS FOR CUSTOMER TRANSFERS) RULE 2016 – CONSULTATION PAPER.

Ergon Energy Corporation Limited (Ergon Energy), in its capacity as a Distribution Network Service Provider (DNSP) in Queensland, welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC) on its *National Electricity Amendment (Using estimated reads for customer transfers) Rule 2016 – Consultation Paper* (Consultation Paper).

While Ergon Energy supports changes to the National regulatory framework that result in improved and more efficient services for our customers, it is important that the cost of such changes does not outweigh the net benefit.

High level estimates indicate that less than 100 of our customers would benefit each year from the retail transfer process proposed in the Consultation Paper. To deliver this outcome, the systems and implementation cost to Ergon Energy is estimated at approximately \$500,000. Considering the small number of our customers who would benefit from the proposed new Rule, Ergon Energy is concerned about the apparent cross subsidy this would create. This cost could be avoided by maintaining current processes, wherein transfer reads funded by individual customers or their retailers allow early transfer at a minimal cost, e.g. \$40.15 in 2015-2016.

Wherever possible, enabling services to be funded by those who directly benefit from the service should be a key consideration in any regulatory change process. As outlined above, the proposed new Rule does not strike an appropriate balance between the costs of the change and the benefits to be realised by those who would bear the costs of that change. For these reasons Ergon Energy does not support the proposed rule change.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact either myself on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jenny Doyle', with a long horizontal flourish extending to the right.

Jenny Doyle
Group Manager Regulatory Affairs

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