

12 May 2016

Australian Energy Market Commission

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Australian Energy Market Commission,

Re AEMC Project Number RRC0006

The Tasmanian Council of Social Service (TasCOSS) welcomes the opportunity to provide comments on the AEMC's Draft Rule Determination on the National Electricity Amendment (Meter Read and Billing Frequency) Rule 2016. We have expressed our views on the Draft Determination by telephone to AEMC staff dealing with this Rule Change proposal; however, we take this opportunity to briefly reiterate in writing our concerns with the Draft Rule Determination.

TasCOSS is disappointed with the Draft Rule Determination and sees it as an unsuitable and unnecessary compromise position that will disadvantage many consumers and may exacerbate financial difficulties for households living on low incomes. Our preferred position is that this Rule Change Proposal not be accepted and that no alternative Rule be made.

The Draft Rule Determination proposes that the billing period be extended to 100 days in order to increase the likelihood that meters can be read in that time and that bills based on actual readings can be provided to customers. We contend that there is no guarantee that meters will be read in the additional days, particularly where there are access barriers to meter reading (such as locked buildings or gates and/or the presence of unrestrained dogs).

If there are structural issues that prevent regular meter reading, these should be negotiated with customers and arrangements made that suit all parties. As the Draft Rule Determination document points out, there is an existing provision in the Rules (Rule 24(1)) that allows a small customer and a retailer to agree on "an alternative regular recurrent period of billing" where the customer provides explicit informed consent to the agreement (Draft Rule Determination, p3).

As detailed in our submission on the *National Energy Retail Amendment (Meter Read and Billing Frequency) Rule 2016 Consultation Paper* issued by the AEMC in December 2015, our major concern with the Rule Change proposal, and now with the Draft Rule Determination, is the effect on low-income consumers of higher bills due to an extension of the billing period. Simply put, the higher the bill, the more difficulty low-income consumers will have paying it.

We believe that this decision, like the original Rule Change proposal, is inconsistent with other moves in the National Energy Market toward more frequent billing. Two recent Rule Changes demonstrate this. Firstly, the 'Competition in Metering' Rule Change approved by the AEMC requires that minimum specifications for new and replacement meters include the capacity for the meters to be read remotely. This capacity will enable more frequent meter reading. Secondly, the Rule Change relating to cost reflective tariffs has resulted in networks proposing the introduction of demand-based tariffs (and in some cases, of demand-based time-of-use tariffs) that will work most effectively with monthly billing (that allows timely demand information to be conveyed to consumers).

If accepted as a Rule Change, the Draft Rule Determination will leave consumers on standing offer retail contracts at a disadvantage compared to consumers who are able find a market contract that provides more frequent billing. In the case of Tasmania where there are no market contracts available for residential customers, all Tasmanian households will be exposed to the possibility of billing frequency of 100 days. This will not only put those households at a disadvantage, but will also increase the difficulty that many will have in finding enough money to pay higher bills based on a longer billing period.

We refer you to our response to the earlier AEMC *Consultation Paper* on this Rule Change proposal (submitted to the AEMC on 28 January this year) for our further arguments against the proposal. We provided arguments in that submission that supported our view that the Rule Change proposal did not ‘facilitate the efficient use of energy services, enhance the consumer experience nor provide a proportional response to the issues identified’ – we stand by those arguments and believe that they apply also to this Draft Rule Determination.

Yours sincerely



Kym Goodes
Chief Executive

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The views expressed in this document do not necessarily reflect the views of Energy Consumers Australia.