

9 June 2016

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

Dear Mr Pierce

RE: AEMC Consultation Paper – *National Electricity Amendment (Improving the accuracy of customer transfers) Rule 2016 (Reference ERC0195)*

Endeavour Energy welcomes the opportunity to provide feedback on the AEMC's Consultation Paper regarding the *National Electricity Amendment (Improving the accuracy of customer transfers)* proposed rule.

The AEMC's consultation paper followed the submission of a rule change request by the Council of Australian Governments (COAG) Energy Council. This request was based on the recommendations of the AEMC's 2014 Review of Electricity Customer Switching (the Review) which concluded that both the timing and accuracy of the customer transfer process could be improved. The Review made six recommendations to improve the process; this rule change request seeks to implement the following two recommendations:

- introduce an address standard; and
- confirm and strengthen obligations on retailers to coordinate to resolve erroneous customer transfers.

The Review found that there was inconsistency in the address data held by different market participants in the Market Settlement and Transfers Solution (MSATS) system. The Review considered these discrepancies can lead to delays and errors in the transfer process inconveniencing customers. The rule change request seeks to address this issue by:

- amending the National Electricity Rules (NER) to oblige AEMO to make changes to MSATS Procedures to develop and publish an industry address standard. The standard would apply for any new National Metering Identifier (NMI) Standing Data entered into MSATS and to establish a process for transitioning existing data;
- amending the National Electricity Retail Rules (NERR) so that when a customer contacts a retailer complaining of an erroneous transfer, that retailer is then required to expeditiously resolve the matter and notify the customer when the transfer has been rectified.

We are not in a position to provide detailed comments on the proposed amendment to the NERR listed above as it applies to retailers. However, in principle we support the amendment as a common sense way of reducing the complexity a customer faces in rectifying an erroneous transfer.

In regards to the address standard, it is difficult to assess the materiality of the impact of erroneous customer transfers and the extent to which inaccurate address information contributes to it. Notwithstanding this, we accept that it is likely that inaccurate address information contributes to this issue and that it adversely affects customers. We would therefore support any reasonable measure available to improve the accuracy of customer transfers process.

We consider the proposed address standard will help reduce the amount of erroneous customer transfers. It will be a proportionate solution provided the responsibility is directed to the participant best placed to give effect to the address standard. We consider the incoming retailer could implement this standard efficiently as part of the customer transfer process.

A Distribution Service Network Provider (DNSP) is currently responsible for entering NMI and site address information into MSATS. The site address information a DNSP enters is reflective of the customer's connection point to the network. For various reasons, a customer's postal address may not necessarily align with the site connectivity address.

A DNSP requires an accurate site connectivity address to properly carry out several obligations, such as disconnection/reconnection service orders, outage notifications, emergency services, meter reading, vegetation and service line maintenance, etc. These functions are distinct to the needs of retailers to send bills and other customer communications.

Therefore, we do not consider the proposed address standard should apply to the site connectivity address information that DNSPs currently enter in MSATS, as it would not align with the information a DNSP requires to undertake its obligations whilst also imposing compliance costs on all parties. Instead, the proposed address standard is better suited to the information needs of retailers (particularly incoming retailers).

The AEMC correctly identifies this issue and suggests that the address standard could be implemented by the incoming retailer whilst leaving the address information used by a DNSP undisturbed. We support this approach and consider it will best contribute to the achievement of the National Electricity Objective (NEO).

If you have any queries or wish to discuss this matter further please contact Jon Hocking, Manager of Network Regulation at Endeavour Energy on (02) 9583 4386 or alternatively via email at jon.hocking@endeavourenergy.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rod Howard', with a large, sweeping flourish at the end.

Rod Howard
Acting Chief Executive Officer