



## Meter read and billing frequency

### Publication of final rule determination and final rule

**The Australian Energy Market Commission has made a rule that will enable more small customers to receive energy bills based on their actual consumption, reducing the amount of estimated bills.**

#### The Commission's decision

The Commission has made a more preferable final rule than the rule proposed by Ergon Energy Queensland (Ergon). The rule requires retailers to issue a bill to a small customer on a standard retail contract at least once every 100 days, rather than the existing requirement of three months. The final rule applies to both electricity and gas retail standing offers.

The vast majority of small customers will continue to receive a bill at least once every three months. The final rule may result in some small customers occasionally receiving a bill that is delayed by up to eight days. However, this is unlikely to occur frequently, and is not likely to affect the same customers each billing period. This small delay will allow a greater proportion of small customers to receive bills based on their metered consumption, rather than an on estimate.

#### Why has the Commission made the final rule?

Bills based on actual consumption provide consumers with better information about how they use energy. This helps them to plan and budget for their bills, and also assists them in managing their usage to lower their energy charges. Similarly, frequent bills provide consumers with more timely information about the costs that they are incurring and provide consumers with the information that they need in order to adjust their energy usage. The final rule achieves a balance between the accuracy of bills (which depends on getting metering data) and the frequency of billing.

#### The rule change request

The existing arrangements in the National Energy Retail Rules (NERR) require retailers to issue small customers on a standard retail contract with a bill at least once every three months. However, Metering Data Providers are only required to use 'best endeavours' to collect meter data at least once every three months under the Australian Energy Market Operator's *Service Level Procedure: Metering Data Provider Services*.

Ergon considers this an inconsistency between the obligations on retailers and Metering Data Providers, which results in retailers issuing estimated bills if the Metering Data Provider has not provided them with a meter reading in time.

To address this issue, Ergon sought to amend the NERR to enable a retailer to delay issuing a bill to a small customer supplied under a standard retail contract until a meter read is provided by the relevant Metering Data Provider. Ergon considered that its rule change request will enhance consumer experience, and their confidence in retail markets, by providing bills based on actual consumption and reducing the number of estimated bills.

The Commission agrees that the existing arrangements do not provide the flexibility for retailers to delay issuing a bill to allow for reasonable delays in the meter reading process (such as issues accessing a meter). The final rule retains a clear timeframe within which a retailer must issue a bill, and provides more flexibility in order to allow for more accurate billing overall.

For information contact:

AEMC Senior Director, **Richard Owens** (02) 8296 7800

AEMC Director, **Ben Shafran** (02) 8296 0603

Media: Communication Manager, **Prudence Anderson** 0404 821 935 or (02) 8296 7817

23 June 2016

Bills based on actual consumption data give better information to small customers to help them make informed decisions about how they use energy

## Change in Arrangements

The diagram below shows how under the new rule the arrangements will change.

Most bills will still be issued within three months. But the extra eight day window allowed to retailers to issue a bill if a meter read is delayed will mean that a higher proportion of customers will receive bills based on actual data rather than an estimate.

