

28 January 2016

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



positive energy

Dear Mr Pierce

Consultation Paper: Meter Reading and Billing Frequency (RRC0006)

Energex Limited (Energex) appreciates the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on its consultation paper on a rule change request received from Ergon Energy Queensland (Ergon). Ergon's rule change request seeks to amend the National Energy Retail Rules (NERR) to enable retailers to delay issuing a bill to a small customer on a standing offer until a meter read is provided by the Metering Data Provider (MDP).

Energex understands Ergon's concern that it is not always possible to issue a bill to a small customer in accordance with Rule 24(1) of the NERR based on the Australian Energy Regulator's (AER's) strict interpretation of "at least once every three months" as meaning no later than every 92 calendar days. As noted by Ergon in its rule change request, the Australian Energy Market Operator's (AEMO's) service level procedure takes a more flexible approach to its interpretation of "at least once every three months" by requiring that MDPs should use "reasonable endeavours" to collect metering data within a timeframe that is effectively between 89 and 94 days from the last meter reading date. Consequently, Energex considers that Ergon's rule change request to align retailers' obligations under the NERR with AEMO's service level procedure is not unreasonable.

Energex does not consider that the alternative solutions outlined in the AEMC's consultation paper are practical, cost-effective or efficient options to resolve the misalignment of obligations outlined by Ergon. In particular, the option to increase the frequency of meter reads would place additional workload on MDPs and result in increased costs for customers. For similar reasons, Energex would also not be supportive of any proposed arrangement that would place additional obligations on MDPs with respect to generating estimates of small customers' consumption in advance of the MDP's meter reading cycle.

Taking into consideration varying month lengths and available working days within which MDPs can schedule meter reads each quarter, Energex considers that the more flexible meter reading timeframe provided for in AEMO's service level procedure is practical. Energex therefore supports Ergon's rule change proposal which would enable retailers to delay issuing a bill to a small customer until a meter read has been provided by the MDP (within a reasonable maximum timeframe) as the most reasonable solution.

Enquiries

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Should you have any queries regarding this submission, please contact Charmain Martin, on (07) 3664 4105.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'N Roscoe', with a stylized, cursive script.

Nicola Roscoe
Acting Group Manager Regulation and Pricing