



9 June 2016

Mr John Pierce
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Electronic Lodgement – ERC0195

Dear Mr Pierce

RE: Consultation Paper National Electricity Amendment (Improving the accuracy of customer transfers) Rule 2016, National Energy Retail Amendment (Improving the accuracy of customer transfers) Rule 2016 National Gas Amendment (Improving the accuracy of customer transfers) Rule 2016

United Energy (UE) appreciates the opportunity to respond to the Consultation Paper, Improving the accuracy of customer transfers.

In Principle UE is in favour of any improvements that will increase the accuracy of data and facilitate smoother transfers.

However, UE do not accept that address issues are actually a cause of major delays in the transfer market, and we suggest that the costs and benefits of enacting any such changes be examined in detail before further work is undertaken in this area.

The Consultation Paper states that erroneous transfers make up only 2.2% of the total transfer volume. Given the many known causes of errors, it needs to be called out that this rule is therefore looking at changes that will address only a sub-set of the 2.2% or erroneous transfers. This cannot be a very large volume.

Due to the complex nature of Distributor and Retailer IT systems, and the stringent requirements of the market systems, even minor changes to data formats and transaction contents result in significant costs. All changes need to be agreed across the entire market, built in all the individual systems and extensively tested both internally and across the market. A prudent operator would need to be assured that the value created by these changes outweighed the cost of making them – particularly for such a low volume of transfers.

2nd Address Field for Retailers

The Consultation Paper notes that as the LNSP is the only party that can update the site address in MSATs, that a potential solution might be to create a second address field in MSATs for the Retailer address.

UE has very serious concerns about this proposal. MSATs is the industry system of record and any replication of data, or provisioning of alternative fields will increase complexity, increase confusion and drive up costs. UE believes that this would in fact result in more errors, not less. We would prefer to see

an alignment of address standards, or a process step inserted where the Retailer requests the Distributor to update the field if there is a change in details.

Should the industry decide to standardise address formats, we support the incremental approach suggested where this is not tackled as a mass data migration and refresh, but rather applied as each case arises.

Should the industry be doing this now?

Even with an incremental approach to updating address formats and customer records, this is not an insignificant change. There will still be consultation required, new procedures developed and considerable IT development and testing to be undertaken.

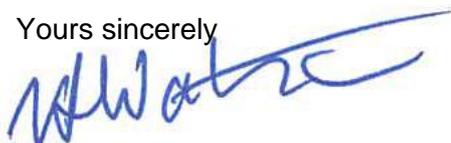
UE question whether this is something the industry should be contemplating at the same time that we are delivering the massive changes required for Metering Competition. Each additional piece of scope that we add, or project that we do concurrently with the metering competition project significantly increases risk. Given the importance of achieving the metering competition deadline of 1 December 2017, and the very real challenges of scope and delivery that the industry is dealing with, the distraction and extra risk of commencing an address change process seems unjustifiable – particularly given the low volume of customers that it would benefit.

Should the Industry consider similar changes for Gas?

Gas does not have an MSATS equivalent so the solution suggested for electricity is not a complete match. At present the MORN discovery process enables the Retailer to find the current address and this process could continue to be used in its current format. Again, UE reiterates the earlier point that clear data should be obtained on the volume of customers that this would specifically help, and a cost benefit view prepared before proceeding further.

Should you have any comments in relation to this response please do not hesitate to contact me on (03) 8846 9856.

Yours sincerely



Verity Watson

Manager Regulatory Strategy