

Improving the accuracy of customer transfers

Stakeholder workshop – 24 June 2016



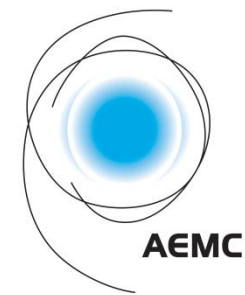
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Outline

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 - Background and introduction to key issues
 - Questions for discussion
 - Summary of discussion
- Resolving erroneous transfers
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 - Questions for discussion
 - Summary of discussion



Address standard



Introduction to key issues

- When a customer wants to change retailers, they will give the new retailer their address (online or by phone) if they don't know the NMI
 - New retailer uses the address to find the relevant NMI in MSATS
 - It is often difficult to correctly match the address with the NMI
- One key difficulty is that the supply address maintained by DNSPs on MSATS may be different from the customer's understanding of their address
- This can lead to:
 - Delays and administrative costs, as retailers expend effort to match the customer address to a NMI address in MSATS or as objections arise in MSATS
 - Erroneous transfers if there is a mismatch which is not identified before transfer, leading to further costs, complaints and delays

Potential benefits of address standard


- *Address validation* is a key benefit of the type of address standard proposed in this rule change request
 - Validation process will find the correct (“official”) address even if a vanity address or alias address is given
 - This can assist in avoiding erroneous transfers and enable retailers to identify the correct NMI to transfer in a more timely manner
 - The current standard for address fields in MSATS (AS4590) does not provide address validation
- The address standards listed in the Consultation Paper were examples only; this rule change will not specify a particular standard
 - AEMO would conduct a consultation process to determine the appropriate standard

How could this work in MSATS?


- Retailers currently undertake their own separate validation processes to match addresses with NMIs
 - However, this is not standardised, it is not built into the NMI discovery process in MSATS, and the results are not fed back into MSATS to improve its address data
- Some submissions suggested improving the NMI discovery process in MSATS, eg by incorporating address validation
- To maximise the benefits of this change, the validated results (the “official address”) should be reflected in MSATS address data
- A different process may be required for gas customer addresses

Potential process for address validation on transfer


1) Retailer receives address from customer seeking to transfer



2) Retailer validates address using specified address standard – ideally, this would be added as the first stage in the NMI discovery process



3) Validated address is then matched with a NMI in MSATS



4) If validated address differs from address in MSATS, retailer requests distributor to update address in MSATS

Issues for discussion

- Can the NMI discovery process be improved by including address validation?
- How should MSATS be updated with validated addresses?
- What additional or alternative steps would help to reduce address mismatches at low cost?

Summary of discussion on address standard

Richard Owens

Resolving erroneous transfers



Provisions of Retail Law on erroneous transfers

- Contract and consent:
 - Once erroneous transfer has completed, customer's contract with original retailer (Retailer A) is no longer in force
 - If customer wishes to return to Retailer A, they will need to give Retailer A explicit informed consent for the transfer and for entry into a new contract with Retailer A
- Consequences of transfer without consent:
 - Transfer is void
 - Customer is liable to pay Retailer A, not Retailer B
 - Any amounts customer paid to Retailer B can be set off against amounts owed to Retailer A

MSATS procedures on erroneous transfers

- After the erroneous transfer has completed, Retailer B (as the customer's current retailer) is unable to initiate a re-transfer of the customer
- Retailer A has the ability to initiate the re-transfer in MSATS
- Re-transfers can be made retrospective to the date of the erroneous transfer – there is no need to wait for the next meter read

Proposed retailer responsibilities for resolving erroneous transfers

Retailer A

- As soon as it becomes aware of the erroneous transfer, contact the customer to request consent to a re-transfer and a new contract (on same financial terms as original contract)
- Promptly after obtaining consent, initiate a re-transfer in MSATS retrospective to date of erroneous transfer
- Set off any amounts customer paid Retailer B against next bill

Retailer B

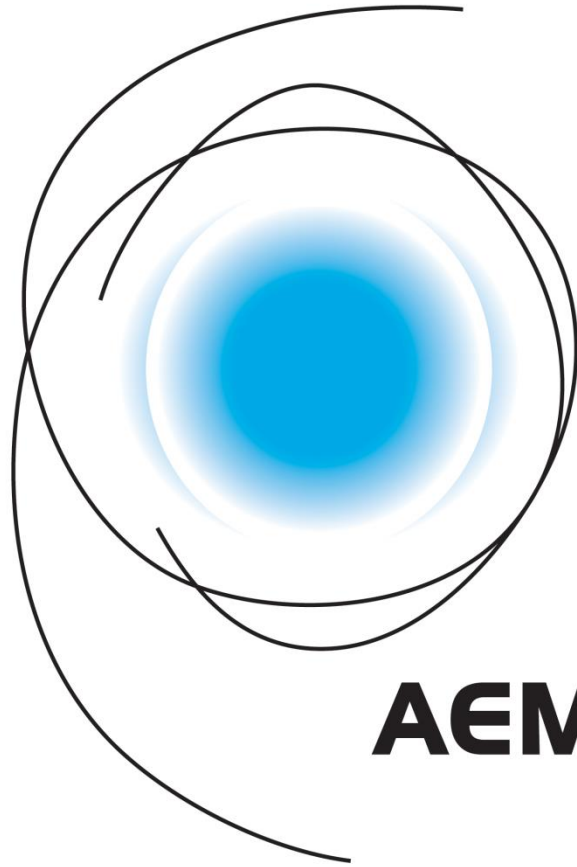
- If contacted first by the customer, promptly contact Retailer A to explain that an erroneous transfer has occurred
- Cooperate with Retailer A to process the re-transfer, once Retailer A has initiated it
- Pay to Retailer A any amounts Retailer B has received from customer for the supply of energy

Issues for discussion

- Are the proposed responsibilities for Retailer A appropriate?
- Are the proposed responsibilities for Retailer B appropriate?
- What timeframes would be suitable for these responsibilities?
- Would any additional guidance be required?

Summary of discussion on resolving erroneous transfers

Richard Owens



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