

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

5 May 2018

Dear Mr Pierce

**Amendments to Part 2 Division 9A of the National Electricity Retail Rules
Amendments to Part D Metering Installation of the National Electricity Rules**

The Australian Energy Council (the Proponent) is an industry body representing 21 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia, and sell gas and electricity to over 10 million homes and businesses.

The proponent submits this rule change proposal on behalf of Retailer members of the proponent, as well as on behalf of the Competitive Metering Industry Group (CMIG). The CMIG convenes as an industry group under the proponent's umbrella.

The Proponent submits this rule change request to the Australian Energy Market Commission, in line with the requirements of 92(1).(a) of the National Electricity Law and associated regulations.

This submission has been developed with the National Electricity Objective in mind. It is additionally informed by a working group comprising Retailer and Metering experts.

The rule change proposals and associated descriptions of the proposed rules are attached for your consideration.

Should you have any questions in relation to this rule change request please contact David Markham, telephone 03 9205 3107 or david.markham@energycouncil.com.au.

Yours sincerely

David Markham
Corporate Affairs

Executive summary

The Australian Energy Market Commission's (AEMC) rule change on expanding competition in metering and related services (competition in metering) was designed to open up competition in metering services and give consumers more opportunities to access a wider range of services.

The rule change created new market participants, such as the Metering Coordinator, and re-allocated certain responsibilities with respect to the provision of metering services for small and large customers. Under the new arrangements, responsibility for metering provision, replacement, and maintenance has transferred from the local network service provider (LNSP) to the newly created Metering Coordinator, Retailers, Meter Providers and Meter Data Providers.

However, since the commencement of the rule change in December 2017, retailers have identified aspects of the new arrangements where they are constrained in providing customers with the same level of customer service and flexibility with respect to planned interruptions for a meter replacement than was previously provided by the LNSP.

This has resulted in a negative impact on customer experience giving rise to customer complaints to retailers, and in a limited number of circumstances, escalated complaints to jurisdictional Ombudsman.

The objective of this rule change request is to ensure that customers are provided with the best level of service and flexibility with respect to the provision and installation of their electricity meter, without compromising on other key considerations such as safety and risk. This rule change intends to achieve this by providing customers with the option to agree with their retailer a preferred meter replacement time and date.

This proposal also seeks a number of additional and consequential changes to:

- Procedural obligations on new market participants and the impact of these on the time to install meter;
- Differentiate the metering arrangements that apply to small and large customers; and to
- Clarify the purpose of a 24-hour enquiry telephone line.

We recognise that together this represents a broad-reaching reform. The amendments proposed require careful consideration and should not be undertaken in a piecemeal manner. We also note that the AEMC have recently received rule change proposals on some of these areas from other interested parties. Should the AEMC wish to combine with other proposals where appropriate, then we are happy for them to do so.

Amendments to Part 2 Division 9A of the National Energy Retail Rules Amendments to Part D Metering Installation of the National Electricity Rules

Name and address of Rule change request proponent

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Description of the Rule change

The National Energy Retail Rules (NERR) focuses on the sale and supply of energy to, primarily, small retail customers. The NERR also sets out the rights of customers and the obligations on distribution network operators and retailers with respect to interruptions to supply.

The Australian Energy Market Commission's (AEMC) rule change on expanding competition in metering and related services (competition in metering) was designed to open up competition in metering services and give consumers more opportunities to access a wider range of services.

The rule change created new market participants, such as the Metering Coordinator, and re-allocated certain responsibilities with respect to the provision of metering services for small and large customers. Under the new arrangements, responsibility for metering provision, replacement, and maintenance has transferred from the local network service provider (LNSP) to the newly created Metering Coordinator, retailers, Meter Providers and Meter Data Providers.

However, since the commencement of the rule change in December 2017, retailers have identified aspects of the new arrangements where they are constrained in providing customers with the same level of customer service and flexibility with respect to planned interruptions for a meter replacement than was previously provided by the LNSP.

This has resulted in a negative impact on customer experience giving rise to customer complaints to retailers, and in a limited number of circumstances, escalated complaints to jurisdictional Ombudsman.

Some of the reasons for metering installation delays have been due to market participants adjusting to new service orders and timings, but largely the new competition in metering rules that retailers must follow are, in many respects, more onerous than previously imposed on the LNSP. In addition, state-based derogations in Queensland and New South Wales that enabled the LNSP and the customer to agree a preferred date for a planned interruption for the purposes of a meter replacement or repair have not been carried over into the new rules for retailers¹

Further, the new rules apply conditions previously imposed on the LNSP without recognising that in many instances these are not transferable or effective for new participants to undertake.

The objective of this rule change request is to ensure that customers are provided with the best level of service and flexibility with respect to the provision and installation of their electricity meter, without compromising on other key considerations such as safety and risk. This rule change intends to achieve this by providing customers with the option to agree with their retailer a preferred meter replacement time and date.

This proposal also seeks a number of additional changes to: better reflect the procedural obligations on new market participants and the impact of these on the time to install meter; clarify the purpose of a

¹ See: NSW NERL (adoption) Regulation 2013; NERL (Queensland) Regulation 2014.

24-hour enquiry telephone line; and differentiate the metering arrangements that apply to small and large customers.

Background

Historically in the National Electricity Market (NEM), residential and small business customers had locally read interval meters (type 5) and accumulation meters (type 6) where the LNSP had responsibility for managing meter provision and related services on the customer's behalf.

In November 2012, the Australian Energy Market Commission (AEMC) published its Final Report of the PoC review. The review identified the opportunities for consumers to make more informed choices about the way they use electricity. The review also addressed the market conditions and incentives required for network operators, retailers and other parties to maximise the potential of efficient demand side participation and respond to consumer choice. The overall objective of the review was to ensure that the community's demand for electricity services is met by the lowest cost combination of demand and supply side options.

An area of focus in this review related to the role of enabling technology. The AEMC considered the existing market and regulatory arrangements that govern investment in metering and whether these arrangements can support a consumer's choice to take up different products and services that can be enabled by better technology. This was based on the premise that where a consumer makes an informed decision to switch to a flexible pricing offer, or take up a demand side participation product (e.g. install smart appliances), the market needs to support that choice.

The AEMC recommended that a new framework be introduced into the NER to enable competition in the provision of metering and related services for residential and small business consumers. Following the PoC review, the Standing Council on Energy and Resources (SCER) submitted a rule change request to codify the framework envisaged in the PoC review.²

Following SCER's rule change request, on 26 November 2015, the AEMC released its decision to issue a more preferable rule. The final rule made changes to who has overall responsibility for the provision of metering services. In particular, the role of the Responsible Person was to be performed by a new type of Registered Participant; a Metering Coordinator. In addition, a number of obligations previously undertaken by the LNSPs were transferred to retailers and Metering Coordinators.

However, while a number of these obligations mirror those previously performed by the LNSP, the introduction of new market participants has created additional coordination obligations and interdependencies requiring retailers to adopt a number of new processes and procedures. Despite the requirement for additional role nominations via the Marketing Settlements and Transfer Solution (MSATS) and participant interactions, the timeframes associated with an interruption notification and meter replacement still remain the same.

Furthermore, under the previous arrangements customers were afforded greater discretion to coordinate the timing of their planned interruptions for a meter replacement. While these were largely set out in jurisdictional derogations in New South Wales and Queensland, these provisions have not been carried over into the new arrangements.

The revised rules also impose additional conditions on retailers with respect to retailer-led new meter deployments. Again, these new obligations do not empower customers to either nominate their preferred means of notification or to negotiate their preferred planned interruption for the installation of their meter.

² AEMC, Expanding competition in metering and related services, Rule Determination, 26 November 2015, p. 5.

Finally, a number of provisions that previously applied to the LNSPs have been carried over and applied to retailers. This includes the obligation to maintain a 24 hour telephone line to enable customers to enquire about planned interruptions and for arrangements intended to apply to residential customers being extended to large customers. This obligation is creating additional and unnecessary cost on retailers, and ultimately consumers.

Collectively addressing these issues will result in a more functional and efficient delivery of metering services to customers. More importantly, it will improve the customer experience by empowering customers to work with market participants to proactively engage with the management of the delivery of their metering services where it is safe and practicable to do so.

We also recognise that the NERR do not currently apply in Victoria. Retail market issues are instead governed by the Victorian Energy Retail Code. Accordingly, we recognise that any amendments to the NERR will not apply in Victoria at this point in time.

Statement of Issues

The PoC review concluded that efficient markets are characterised by the effective participation of both the supply and demand sides. The review also found that a key feature for effective demand side participation into the future was enabling customers to make informed choices so they can identify and implement efficient demand options. This can be achieved by providing customers with the necessary technology and skills to respond to market signals. It also requires customers to be engaged and empowered.

The installation of new smart meters to customers is an important component in delivering the PoC objectives as it provides the necessary infrastructure to enable customers to respond to market signals.

The purpose of this rule change proposal is to improve the customer service experience associated with the replacement and installation of a new meter at the customer's premises. The rule change is also intended to better reflect the new roles and responsibilities of the new market participants. To achieve these objectives, the Australian Energy Council (AEC) has identified a number of improvements to the existing rules associated with:

1. Providing customers with the ability to nominate a preferred time for the replacement of their meter;
2. Amending the timeframes for the repair or replacement of a malfunctioning meter to reflect the coordination obligations of new market participants with respect to a meter replacement;
3. Providing customer with the ability to determine how they wish to be engaged as part of a smart meter deployment;
4. Providing life support customers greater clarity regarding who to contact with respect to an emergency; and
5. Removing the application of the planned interruption notification provisions to large customers.

These are discussed below.

Customer Nomination of Planned Interruption

Under the previous National Electricity Rules (NER), the LNSP was the responsible person for a type 5, 6 or 7 metering installation connected to, or proposed to be connected to, its network. As the responsible person, the LNSP was required to repair a metering installation malfunction no later than 10 business days after it became aware of the malfunction and to notify each affected customer of a planned interruption at least 4 business days before the date of the interruption.

The National Energy Retail Amendment (Expanding competition in metering and related services) Rule 2015 No. 1 (Retail Amendment No. 1) and National Electricity Amendment (Expanding competition in metering and related services) Rule 2015 No. 12 (Electricity Amendment No.12) transferred these obligations from the LNSP to the retailer and Metering Coordinator.

Specifically, on and from the effective date, an LNSP that was the responsible person for a type 5 or 6 metering installation immediately before the effective date must be appointed as the Metering Coordinator by the financially responsible Market Participant (FRMP).³

The LNSP as Metering Coordinator must promptly notify the FRMP of a metering installation malfunction.⁴ Following the receipt of this notice, the FRMP must then appoint a Metering Coordinator for the site in question⁵ who is then responsible for the repair of the metering installation malfunction no later than 10 business days after its appointment.⁶ To enable this action, the MC must nominate a new Metering Provider.

Within this obligation, the retailer must also notify each affected customer by any appropriate means of the planned interruption at least 4 business days before the date of the interruption.⁷ This notification must, among other things, specify the expected date, time and duration of the retailer planned interruption.⁸ The notification obligation applies to all customers, including large customers.⁹ Furthermore, in the case of life support customers, the 4 business days are to be counted from, but not including, the date of receipt of the notice.¹⁰

The notification obligations on retailers largely mirror those applied to LNSPs before the competition in metering commenced. However, there are notable differences in the process and functions being undertaken by the retailer and those previously undertaken by the LNSP.

First, the notification requirements on LNSPs need to be considered in the context that they were not solely for meter replacements. For example, planned maintenance on a distribution substation or feeder could affect a street for several hours; maintenance on zone substations or high voltage lines could affect multiple streets for prolonged periods. To minimise disruption, the LNSP could potentially plan maintenance during the night. When considered in this context, it is obvious why an LNSP must notify customers of the expected date, time and duration of the outage, and to provide a 24-hour phone line. However, a wide-scale planned outage of this nature does not require notification separately to each customer or scheduling or work at an individual customer site level. That is, the LNSP does not need to attend each customer's premises to perform the planned interruption so the customers can be notified via the LNSP's website or through generic correspondence (e.g. letterbox drop) rather than by a tailored letter or email.

In terms of interruptions for metering purposes, while the LNSP was bound by the same notification obligations for planned interruptions, in many cases they had the flexibility to alter these obligations. For example, in Queensland and New South Wales, the LNSP had the ability to agree with the customer in writing to interrupt their supply within the 4 business day notification window. Furthermore, if a meter replacement was required in an emergency or safety situation, the LNSP can interrupt supply without notification for unplanned maintenance.¹¹

³ NER Rule 11.86.7(a).

⁴ NER Rule 11.86.7(g)(3).

⁵ NER Rule 11.86.7(h).

⁶ NER Rule 11.86.7(i).

⁷ NERR Rule 59C(2).

⁸ NERR Rule 59C(4).

⁹ NERR Rule 59C(8).

¹⁰ NER Rule 124(1)(f).

¹¹ NERR Rules 88-89.

These different circumstances were also recognised by the NSW government when it enacted the *Electricity Supply Amendment (Advanced Meters) Act 2016* to facilitate smart meter rollouts during the interim period before PoC reforms commenced on 1 December 2017. During this period, retailers and metering providers were permitted to install smart meters to customers with *no* prior notification unless a person at the customer's premises required life support equipment. For life support customers, the customer was entitled to at least four business days' written notification prior to the interruption but a shorter period could be agreed, in writing, between the occupier and retailer or metering provider.¹²

The most efficient delivery of a meter replacement is when the metering provider can coordinate several installations in the most efficient geographical sequence. In most cases power is only out for an hour and most jobs are completed when the customer is not home so the customer impact is usually minimal. Where a customer cancels an installation, the most efficient response would be for the metering provider to schedule another job within the geographical proximity subject to the customer's consent. If it is convenient for both the customer and the metering provider the replacement can be undertaken at short notice. The customer receives their new meter and the metering provider is not potentially impeded from the installation of an efficient number of meters in a day. Requiring a 4 day notification removes this flexibility. It results in the metering provider being potentially constrained from the efficient delivery of a service to customers who may otherwise be open to receiving a meter. This results in added inconvenience for customers and higher service costs than otherwise be the case.

However, under the current NERR rule 59C, in the event that a customer requests a change to the date of their planned interruption and this change does not meet the minimum notification period, the retailer will not be able to accept the customer's preferred arrangements without breaching the rules. Furthermore, where a customer requests a later date beyond the 4 day notification period, the retailer can accept this modification, however, this may result in an outcome where the meter will not be repaired or replaced within 10 business days resulting in the Metering Coordinator being in breach.

We agree that a customer should be provided with a minimum notification period for a planned interruption. However, we propose that rule 59C ought to recognise that there will be circumstances where customers initiate a retailer planned interruption or where changed circumstances necessitate an agreed change in appointment between retailer (or metering coordinator) and the customer. Furthermore, a customer should also have the option to agree with their retailer an alternative date for a planned interruption, even if this falls within the minimum 4 business day notification period. We believe this is consistent with good customer service provision and in accordance with previous arrangements that were operational in Queensland and New South Wales using state derogations.

In terms of a life support customer, retailers will always give primacy to the needs of these customers. We believe the current requirements do not adequately address the needs of customers with life support equipment. It is preferable for life support customers to have the certainty of nominating a specific day and time on which a planned interruption will occur for the replacement or maintenance of their meter; that is a date that may be outside of the 4 day notification period.

Amending the timeframes to reflect new coordination obligations

As noted above, the introduction of new market participants has created additional coordination obligations and interdependencies requiring retailers to adopt a number of new processes and procedures that previously did not apply to the LNSP. However, the timeframes associated with an interruption notification and meter replacement remain the same. Specifically, that a MC is responsible for the repair of a metering installation malfunction no later than 10 business days after its appointment as MC for that site.

¹² Electricity Supply Act 1995 (NSW), section 71(3).

The differences in processes that previously applied to the LNSPs and now apply to retailers are detailed in table 1. This information highlights the additional actions to be coordinated across multiple parties which involve additional processes which compromise the ability of retailers and MCs to comply with the 10 business day obligation.

Table 1: Chronology of new obligation on market participants

Old Arrangements	New Arrangements	Timeline
LNSP becomes aware of meter malfunction	LNSP becomes aware of meter malfunction	Business day 1
None of these requirements applied to an LNSP, reducing their timeline by 7 business days	LNSP sends Meter Fault Issue Notification to the FRMP	Business day 2
	FRMP nominates a MC for the site	Business day 3
	Objection Period for MC appointment ¹³	Business day 4
	FRMP appoints MC for the site	Business day 5 (Rules provide for 10 business day fault replacement clock to start at this stage)
	MC/FRMP appoints a MP for site	Business day 6
	Objection period for MP appointment	Business day 7
	MC initiates a Meter Exchange Request to the MP	Business day 8
	MP issues a Meter Exchange Notification to FRMP to advise scheduling of meter replacement.	Business day 9 [This may require more than one day depending on the nature and location of the work.]
LNSP sends customer a planned interruption notification	The FRMP issues customer with a Planned Interruption Notification advising the customer of the date of interruption. Australia Post has advised that it requires six business days to deliver mail to a customer in a regional area. Metro areas can take two business days. Some customers can be notified electronically, such as by email.	Business days 10 for electronic delivery – 12 (best case) and 16 (worst case for mail delivery, depending on location of customer PIN notice period is at least 4 business days
LNSP replaces meter	MP replaces meter. For electronic delivery, day 14 assumes the MP can schedule the replacement immediately after 4 business days, but this may not always be possible.	Business day 15 for electronic and 17 (best case) – 22 (worst case) for mail

As a result of these process obligations, it is not possible for an MC to meet MSATS nomination obligations, provide a customer notification through appropriate means and also replace the customer’s meter all within 10 business days.

We believe the rules do not adequately reflect these obligations. For this reason, we are seeking an amendment to NER rule 7.8.10 to extend the obligation to repair a malfunctioning meter from the existing 10 days to 20 days. While table 1 identifies 22 days as a worst case scenario, the 20 day obligation does not commence until the FRMP appoints the MC for the site.¹⁴ We believe extending this timeframe will provide retailers and MCs with reasonable opportunity of complying with the rules. We also believe that amending the rules to provide an extension of time to install a meter does not

¹³ The MSATS CATS Procedure contains mandatory objection periods whenever a change request is initiated.

¹⁴ NER Rule 11.86.7(i)

impact on the service currently being delivered to customers; rather it reflects the practical reality of how long it takes for a meter to be replaced.

Customer engagement as part of a meter deployment

We believe the objective of rule 59(A) of the NERR is to ensure customers are provided with sufficient information to make an informed decision to elect whether or not to have their meter replaced.

To achieve this, the rule provides that in the event that a retailer proposes to undertake a new meter deployment, the retailer must permit a small customer to elect not to have their meter replaced unless the terms of the small customer's market retail contract authorise the retailer to undertake the deployment.¹⁵ In such instances this would mean that the retailer would not need to undertake the notification processes set out in NERR rule 59(A)(2). Otherwise, a retailer must give to the small customer a notice in writing no later than 25 business days prior to the proposed meter replacement and a second written notice no later than 15 business days before the proposed replacement.

However, the rules do not appear to provide scope for an alternative; either the customer contract waives the obligation for a retailer to follow the notification process or the retailer must follow the full process.

We believe that if the retailer follows the notification process set out in rule 59(A)(2) that the customer can elect to opt out of the notification process at a time of their choosing. For example, if a customer provides consent to the meter deployment in response to the initial written notice from the retailer, the customer will nevertheless receive a second notice. This may create misunderstanding from the customer's perspective regarding the status of their meter replacement and result in the customer duplicating their consent thereby creating unnecessary costs and administrative burden on both customers and retailers.

We believe that a customer should be able to choose to opt-out of receiving further written notices once they have agreed to a meter replacement. Furthermore, the requirements to complete the full notification process may be to a customer's detriment if the purpose of the replacement is to promptly appoint a new MC with metering provision that is cheaper or provides a superior meter than the arrangement they have.

Providing life support customer greater clarity regarding who to contact with respect to an emergency.

Under the previous rules, as part of the registration of life support equipment, a retailer was required to give the customer an emergency contact number for the distributor. As part of the AEMCs 'Strengthening protections for customers requiring life support equipment' Rule change, this was extended to require retailers to also provide a life support customer an emergency contact number.¹⁶

In addition, PoC amendments to NERR rule 59C require that a retailer planned interruption notification must include a 24-hour telephone number for enquiries.

We consider there is an important distinction between the purpose of an enquiry line and the purpose of an emergency line.

Providing an emergency phone line for life support customers is both appropriate and necessary. This is particularly relevant when a life support customer is facing a planned interruption. For this reason, we believe that the notice given by a retailer for a planned interruption ought to include an emergency contact number for life support customers.

¹⁵ NERR Rule 59A(8).

¹⁶ AEMC, Strengthening protections for customers requiring life support equipment, Final Rule Determination, 19 December 2017, Sydney. AEMC, final p. 27.

However, the purpose of an enquiry line is very different to that of an emergency line. We consider that customer “enquiries” to the retailer are more likely to be customers seeking more information about the planned interruption or wanting to change the appointment time rather than emergency issues. Resolution of these enquiries can be provided in business hours.

With respect to unplanned interruption, customers continue to have access to a 24-hour telephone service provided by the relevant distribution business for fault enquiries and emergencies.

Therefore, we do not believe the obligation for a retailer to maintain a 24-hour telephone number as required under NERR rule 59C(4)(b) is practicable for the following reasons:

- To avoid confusion and risk customers should have a single 24-hour number of the distributor for emergency/faults, consistent with current bill information and practices of restoring supply;
- Enquiries about the planned interruption/changing appointment times does not require 24-hour response and to provide this service will be costly and ultimately borne by consumers; and
- Even if the customer does call after hours to make an enquiry or change the appointment time, retailers will not be able to confirm changed appointments until they are able to contact the MC/MP during business hours. Therefore, the customer will receive no confirmation and will have a poor service outcome if calling at this time.

For these reasons we believe the rules should require retailers to include in a planned interruption notice a contact number for connection enquiries that operates during business hours as well, and separately, an emergency phone line for life support customers.

Removing Large Customers

The National Energy Customer Framework is intended to provide protection to small customers, rather than large commercial and industrial consumers who have sufficient resourcing and bargaining power to uphold their own interests.

We believe the planned interruption notification provisions provide limited benefit to large customers because the majority of large sites have current transformer (CT) meters installed, which are not affected by supply interruptions. Furthermore, there is no way for retailers to identify which site has a CT meter installed and which does not.

The large customer market has been managing meter churn for several years and as such this practice has become a business-as-usual activity. Metering installation and repairs have never been an issue in the past.

Until such time as the MSATS database has this information, the AEC does not support sending outage letters to large customers. In view of this, we consider that extending notification requirements to large customers is unnecessary and imposes costs on a retailer without providing an additional benefit to large customers.

Proposed Changes

The Australian Energy Council has proposed a number of modifications to the NER and NERR as detailed in attachment A and B respectively.

Contribution to the NERO and NEO

The National Electricity Retail Objective (NERO) states the objective of the NERL is:

“to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy.”

The National Electricity Objective (NEO) states that:

“The objective of this Law is to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity with respect to-

- (a) price, quality, safety, reliability and security of supply of electricity; and
- (b) the reliability, safety and security of the national electricity system.”

These proposed changes to the NER and NERR will contribute to the achievement of the NERO and NEO by supporting the more effective delivery of metering services to consumers. Providing customers with better control over the management of a planned interruption associated with a meter replacement is likely to result in better customer engagement and mitigate negativity associated with the introduction of smart meters.

This in turn will support other key objectives such as empowering consumers to better engage with the industry and retailers more broadly. A lack of engagement is one of the biggest impediments to consumers not exerting their influence on the competitiveness process. This rule change will provide a mechanism that will empower customers to decide the terms that are most convenient to them regarding planned interruptions. We believe promoting customer engagement in this way will deliver more informed decision making which is consistent with the long-term best interests of consumers.

In addition, with respect to the changes proposed to procedural matters around timeframes; emergency phone line; and large customer notifications, we believe these better reflect prudent operational practices that meet the requirements of operating assets and providing services in an efficient manner consistent with the NERO and NEO.

Expected benefits and Costs

We believe there are no additional costs if this rule change is adopted. We believe this rule change would deliver the following benefits:

- The greatest benefit of this rule change is giving customers greater control over the timing of their planned interruption. This in turn allows for installations to be completed in a more timely and efficient manner, ultimately lowering costs for the industry and consumers;
- Promotes transparency and clarity for the customer around the meter replacement process;
- Supports the development of procedures and processes that underpin the delivery of better customer services and helps to ensure that all parties understand their obligations under the rules and how they should interact with other parties to deliver better services. Creating this certainty will foster operational effectiveness which we believe is an important pre-condition to realise future process improvements and efficiencies;
- Removes potential customer confusion by enabling the meter deployment process to be more customer focussed;
- Removes confusion around the purpose and function of the retailer 24 hour “enquiry” line and an “emergency” line;
- Further improves the ability of customers to switch retailers and allows for increased engagement in retail energy markets thereby enhancing retail competition which is in the long-term interest of consumers and the efficient operation of energy markets more broadly; and
- Provides improved customer protection where there is life support equipment at a premises.

Furthermore, we believe that there are additional costs if these rule changes are not adopted. These include the cost of:

- Wasted truck visits by not allowing Metering Providers flexibility around meter installations. We believe the current rules are likely to result in a material number of wasted truck visits, potentially of the order of tens of thousands over a calendar year;

- Resending notices and letters. While the cost of an individual letter or notice may be small (in the order of \$3), extrapolated over the number of potential resend this is likely to be a material amount;
- Increased call handling. Again, while the cost of a call to address an inquiry regarding a planned interruption notification is individually small (in the order of \$8), extrapolated over the number of calls associated with confusion around a planned interruption and a new meter deployment this is likely to be a material amount; and
- Cost of increased complaints.

Collectively we believe these additional costs associated with the inability for retailers and customers to agree preferable terms which facilitate the efficient delivery of metering services is likely to be material across all retailers without any additional benefit.

Attachment A: Proposed Amendments to the NER

7.8.10 Meter installation malfunctions

- (a) Unless an exemption is obtained by the *Metering Coordinator* from *AEMO* under this clause 7.8.10, the *Metering Coordinator* must in respect of a *connection point* with:
 - (1) a type 1, 2 or 3 *metering installation*, if a *metering installation malfunction* occurs to the *metering installation*, cause repairs to be made to it as soon as practicable but no later than 2 *business days* after the *Metering Coordinator* has been notified of the *metering installation malfunction*; or
 - (2) a *metering installation* other than the installations referred to in subparagraph (1), if a *metering installation malfunction* occurs to the *metering installation*, cause repairs to be made to it as soon as practicable but no later than ~~10~~ 20 *business days* after the *Metering Coordinator* has been notified of the *metering installation malfunction*.
- (b) *AEMO* must establish, maintain and *publish* a procedure applicable to the provision of exemptions for the purpose of paragraph (a).
- (c) If an exemption is provided by *AEMO* under this clause 7.8.10 then the *Metering Provider* must provide *AEMO* with a plan for the rectification of the *metering installation*.
- (d) A *Registered Participant*, *Metering Provider* or *Metering Data Provider* who becomes aware of a *metering installation malfunction* of a *metering installation* that cannot be rectified within the applicable timeframes as specified in paragraph (a) must notify the *Metering Coordinator* of the *metering installation malfunction* within 1 *business day*.

11.86.7 Metering Coordinator for type 5 or 6 metering installation from effective date

- (i) Any *Metering Coordinator* appointed by the *financially responsible Market Participant* following a notice under subparagraph (g)(3) must comply with clause 7.8.10(a)(2) of new Chapter 7 within ~~10~~ 20 *business days* after its appointment.

Attachment B: Proposed Amendments to the NERR

59A Notice to small customers on deployment of new electricity meters (SRC and MRC)

- (1) If a retailer proposes to undertake a *new meter deployment* the retailer must, subject to subrule (8), permit a small customer of the retailer to elect not to have its *meter* replaced as part of the proposed *new meter deployment* in accordance with this rule (referred to in this rule as the customer's right to **opt out**).
- (2) If a retailer proposes to undertake a *new meter deployment*, the retailer must give to the small customer:
 - (a) a notice in writing no earlier than 60 business days and no later than 25 business days before the retailer proposes to replace the small customer's *meter*; and
 - (b) a second notice in writing no earlier than 10 business days after the notice under subrule (2)(a) was given to the customer and no later than 15 business days before the retailer proposes to replace the small customer's *meter*.
- (3) A notice under subrule (2)(a) and (b) must state:
 - (a) that the small customer may opt out of having their *meter* replaced by informing the retailer:
 - (i) in writing, electronically or by telephone; or
 - (ii) by any other method made available by the retailer in addition to the methods specified in subrule (3)(a)(i),

at any time up to the date specified in the notice as being the last day on which the customer may notify the retailer of its decision to opt out (referred to in this rule as the **last opt-out date**);
 - (b) the expected date and time on which the retailer proposes to replace the customer's *meter*;
 - (c) the last opt-out date, which must be no earlier than 7 business days before the expected date on which the retailer proposes to replace the customer's *meter* (as specified in accordance with subrule (3)(b));
 - (d) any upfront charges the customer will incur under its retail contract as a result of the *new meter deployment*;
 - (e) the retailer's contact details; and
 - (f) contact details of interpreter services in community languages.
- (4) The small customer may opt out of the proposed *new meter deployment* by informing the retailer:
 - (a) in writing, electronically or by telephone; or
 - (b) by any other method the retailer specifies in a notice under subrule (2)(a) or (b),

to the address or other contact details specified in the notice at any time after receiving the first notice up until the last opt-out date.

- (5) Subject to subrule (7), if a small customer does not properly exercise its right to opt out of the *new meter deployment* by the last opt-out date, the retailer may proceed with the replacement of the customer's *meter* as notified to the customer under this rule 59A.
- (6) A small customer's right to opt out of the *new meter deployment* is properly exercised when:
 - (a) the request to opt out has been received by the retailer by the last opt-out date; and
 - (b) the small customer has complied with the requirements under subrule (4).
- (7) A retailer must not proceed with the replacement of the *meter* at the premises under the proposed *new meter deployment* if:
 - (a) before the date of the *new meter deployment*, the provision of customer retail services to the premises commences under a customer retail contract with a different small customer; and
 - (b) that customer has not been given a right to opt out in accordance with this rule.
- (8) The retailer is not required to comply with this rule if:
 - (a) ~~under the terms of the small customer's market retail contract, the retailer is authorised to undertake the new meter deployment; or~~
 - (b) the small customer has advised their retailer that they authorise the retailer to undertake the meter deployment and waive their right to the 'opt out notice' process.-
- (9) In subrule (8):

authorised means that under the terms and conditions of the small customer's market retail contract the customer has expressly:

 - (a) consented to its *meter* being replaced as part of the *new meter deployment*; or
 - (b) waived its rights under this rule to opt out of having their *meter* replaced.
 - (c) communicated their consent in any manner that can be verified by the retailer.
- (10) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.
- (11) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts, but only to the extent subrule (8) does not apply.

59C Retailer interruption to supply – electricity (SRC and MRC)

- (1) A retailer may, subject to and in accordance with any requirements of the energy laws, arrange a *retailer planned interruption*.
- (2) The retailer must notify each affected customer by any appropriate means of the *retailer planned interruption* at least 4 business days before the date of the *interruption*.
- (3) The notice given by a retailer under subrule (2) may be given in the same notice required to be given under rule 59A(2)(b).
- (4) The notification must:
 - (a) specify the expected date, time and duration of the *retailer planned interruption*; and
 - (b) include an emergency telephone contact number (the charge for which is no more than the cost of a local call) for a customer's premises that requires life support equipment; and
 - (bc) include a ~~24-hour~~ telephone number for enquiries (the charge for which is no more than the cost of a local call); and
 - (ed) include a statement that any enquiries regarding the *retailer planned interruption* are to be directed to the retailer.
- (5) The period in which a retailer must notify a customer of a planned interruption may be varied by agreement between the retailer and the customer. This agreement must include the following:
 - (a) the new period in which the retailer must notify the customer of a planned interruption;
 - (b) the expiry day for the agreement;
 - (c) the types of planned interruptions applying to the agreement;
- (6) The record must be in a format and include such information to enable the AER to verify the retailer's compliance with this rule; and the retailer to answer enquiries from a customer relating to the agreement.
- (7) Where an agreement is made, rule 7.8.10(a)(2) does not apply.
- (5)(8) In the case of a *retailer planned interruption*, the retailer must use its best endeavours to arrange to restore the customer's supply as soon as possible.

Note

Rule 107(4) provides that Part 6 (relating to de-energisation or disconnection of premises) does not apply to *interruptions* under this rule.

(~~6~~9) Application of this rule to standard retail contracts This rule applies in relation to standard retail contracts.

(~~7~~10) Application of this rule to market retail contracts This rule applies in relation to market retail contracts.

(~~8~~11) Despite references to standard retail contracts and market retail contracts in this rule, this rule applies to all small customers (~~including large customers~~).

Schedule 1 Model terms and conditions for standard retail contracts

11A INTERRUPTION TO ELECTRICITY SUPPLY

11A.1 Retailer may arrange retailer planned interruptions (maintenance repair etc)

- (a) We may arrange retailer planned interruptions to the supply of electricity to your premises where permitted under the energy laws for the purpose of the installation, maintenance, repair or replacement of your electricity meter;
- (b) If your electricity supply will be affected by a retailer planned interruption arranged by us, we will give you at least 4 business days notice by mail, letterbox drop, press advertisement or other appropriate means unless you request and we agree to undertake the planned interruption on an alternative date.