

AEMC

Rule Change on Estimated Meter Reads – ERC0241

June 2018



CENTRAL NSW
COUNCILS



Centroc's Mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional co-operation and sharing of knowledge, expertise and resources; effectively nurturing sustainable investment and infrastructure development.

www.centroc.com.au

13 June 2018

Reference jb:kb 180613
Enquiries: Ms J Bennett: 0428 690 935

Australian Energy Market Commission
PO Box A2449
South Sydney NSW 1235

Dear Sir/Madam,

Re: Rule change on estimated meter reads – ERC0241

Central NSW Councils (Centroc) represents over 200,000 people covering an area of more than 50,000 sq kms comprising the Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Hilltops, Lachlan, Lithgow, Oberon, Orange, Parkes, Upper Lachlan, Weddin, and Central Tablelands Water. It is about the same size as Tasmania with half the population and a similar GDP.

Centroc's vision is to be recognised as vital to the sustainable future of NSW and Australia.

Its mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional cooperation and sharing of knowledge, expertise and resources.

Centroc has two core objectives:

1. Regional Sustainability - Encourage and nurture suitable investment and infrastructure development throughout the region and support members in their action to seek from Governments financial assistance, legislative and/or policy changes and additional resources required by the Region.
2. Regional Cooperation and Resource Sharing – Contribute to measurable improvement in the operational efficiency and effectiveness of Member Councils through facilitation of the sharing of knowledge, expertise and resources and, where appropriate, the aggregation of demand and buying power.

The Centroc Board is made up of the 28 Mayors and General Managers of its member Councils who determine priority for the region. These priorities are then progressed via sponsoring Councils. For more advice on Centroc programming and priorities, please go to our website <http://www.centroc.com.au/>

Regarding the proposed rule change to estimated meter reads Centroc supports this and contained in this submission are examples why it is important to councils that there are alternate options in place for meter reads.

1. The need for actual reads when changing retailers

Under the Local Government Act, councils are required to undertake a competitive procurement process for any contract where the value is over \$150,000. Centroc member councils undertake this process as a collective group and due to the competitive nature of the process, there is often a change in energy retailers every 2-3 years.

The current rule regarding estimation of meter reads does not currently recognise the imposition to councils where the new retailer cannot take over the site from the previous retailer until an actual read has taken place.

This has been an ongoing issue for member councils over the past few years. Councils have gone so far as providing contact details, maps and diagrams for sites where there is a pattern of estimated reads in an endeavour to assist meter readers to take an actual read. This has rarely provided a successful outcome.

There are currently around 40 sites from varying Centroc member councils which have not had an actual read since before 1 January 2017 when the small tariff sites contract with the new retailer commenced. This effectively means that the affected councils are not able to receive the discounted rate offered by the new retailer until an actual read occurs on those sites, meaning that these councils have been missing out on the new retailer's discount for close to 18 months. The previous retailer is no longer under contract and therefore not providing a discounted rate.

2. Leased premises

There has recently been an example where a leased premise has had ongoing estimated meter reads with the retailer advising that the meter box was locked. There has been no change to the meter box or the lock, and there has previously not been any issue with meter readers gaining access. The lack of an actual meter read impacts on council's ability to on-charge the cost of electricity to their tenants. A suggestion from the retailer was to upgrade to a remotely-read meter, however as detailed below, the same retailer has advised that they not yet in a position to roll out such meters.

3. Delays in the installation of smart meters

A number of member councils have requested the installation of smart meters on sites, specifically on sites where estimated reads are a common occurrence. Despite a request from one particular council in August 2017, the smart meters have still not been installed. Another member council has been advised by the retailer that smart meters are currently only available in the following scenarios only:

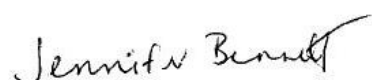
1. the site has solar installation and requires a digital meter
2. the site has a faulty meter and requires replacement
3. new property connection which requires a brand new meter.

Despite Power of Choice taking effect on 1 December 2017, it seems that retailers are not willing to assist customers to make these changes, where one retailer has recently reported that they are yet to finalise the process of mass roll out of digital meters to other sites.

In summary, Centroc member councils constantly battle with issues around estimated reads on their sites, and would welcome the proposed rule change to allow self-reads on meters.

Centroc thanks you for consideration of this matter.

Yours sincerely,



Jennifer Bennett

Executive Officer

Central NSW Councils (Centroc)