

Department of State Growth

OFFICE OF ENERGY PLANNING

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Mr John Pierce
Chair
Australian Energy Market Commission
PO BOX A2449
Sydney South NSW 1235

Attention Jenessa Rabone

Estimated meter reads (ERC0241)

Dear Mr Pierce

The Department of State Growth is pleased to provide feedback on the proposed consolidated rule change regarding estimated meter reads.

The Department supports customers having greater access to, and awareness of, their usage data. The Department contends that the existing provisions under the National Energy Retail Law provide robust protections to customers regarding estimated meter reads. Further, the issue of estimated meter reads will become progressively less important as the roll out of advanced meters progresses. The Department suggests that proceeding with the proposed rule change at this time may result in additional administrative and compliance costs for retailers that may not be commensurate with the resultant benefits for customers.

The Department supports the principle of customers being more engaged in their energy use. However the proposed requirement for retailers to accept customer metering data, to be used as the basis for billing estimation, may lead to additional costs as well as process issues for retailers. It is noted in the discussion paper that costs on retailers to process customer self-reads "are not expected to be significant". The Department suggests that there may need to be further examination of the costs associated with the proposed rule change, and data from retailers would support a more informed assessment of the relative merits of the proposal.

Approximately five per cent of all retail bills issued to Tasmanian small customers are based on estimated meter reads. This means that bill estimation impacts a small number of customers, and that the vast majority of small customers have actual meter reads on a three monthly basis. Further, the proportion of those estimated reads that would also coincide with changes in customer or significant changes in usage would be smaller still. In most cases an estimated read, based on the customer's previous consumption, will not be grossly inaccurate but will represent a fair assessment.

The Department does acknowledge that bill estimation can in some circumstances negatively impact customers in terms of 'bill shock'. However the National Energy Retail Rules provide a number of regulatory provisions in relation to bill estimation that enhance customer protections in this area. These provisions include: under and over charging provisions under Rule 21, bill smoothing arrangements under Rule 23, and customers in a hardship program can access payment plan options

under Rule 72. Customers are also able to dispute estimated bills, and bills generally, and also request for metering accuracy to be tested, under Rule 29. These arrangements and others can and do minimise the impact of bill shock from estimated bills.

The metering changes from 1 December 2017 mean that the roll out of advanced meters will in time replace the existing stock of type 6 meters in Tasmania. Due to this, the proposed Rule may have a limited period of application as, over time, fewer meters will require physical readings or usage estimates¹. Further, situations where there are repeated issues with estimated reads are likely to be addressed earlier.

The AEMC may need to consider whether further regulatory changes in relation to metering that may have compliance costs for market participants and (ultimately) customers are justified at this time.

Yours sincerely



Matt McGee
Executive Director
Office of Energy Planning

26 June 2018

¹ Type 4a meters will still need to be manually read though it is envisaged that type 4a meters will represent a very small segment of the metering fleet.