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Dear Ms Rabone

### Submission to AEMC Consultation Paper re metering installation timeframes

The Essential Services Commission (SA) (ESCOSA) appreciates the opportunity to comment on the AEMC's Consultation Paper concerning timeframes for metering installation and related proposed changes to the National Electricity Rules.

In summary, ESCOSA supports the proposed rule change to introduce regulated timeframes for meter installations. South Australian electricity customers have received poor outcomes following the introduction of metering contestability from 1 December 2017 and it does not appear that the electricity industry is capable of finding short-term solutions to those problems. The industry does not appear to be sufficiently prepared or resourced to implement the contestability reforms, to the detriment of customers. There is a lack of coordination occurring between industry participants, which is leading to unacceptable delays in installing meters, particularly in regional areas and, in some cases, customers unexpectedly being left off supply.

#### Background

ESCOSA is responsible for economic regulation in the electricity, gas, water, sewerage, ports and rail industries in SA. Its primary objective is to protect the long-term interests of customers with respect to the price, quality and reliability of essential services.

The supply of electricity, including the provision of metering infrastructure services necessary for consumption of electricity, is an essential service. Consumers have the right to receive high quality service levels at the lowest sustainable prices.

Prior to 1 December 2017, SA Power Networks (SAPN) was responsible for all on-grid electricity connection services in South Australia, including the provision of new and replacement meters. ESCOSA imposed an obligation on SAPN, through the Electricity Distribution Code, to use best endeavours to connect a new supply address at a date agreed with the customer or, where no date was agreed with the customer, within 6 business days of the customer meeting necessary pre-conditions. If that obligation was not met, a customer was entitled to a Guaranteed Service Level payment of \$65 for each day SAPN was late in connecting the customer, up to a maximum of \$325. The service standard encompassed all connections works, including the installation of a meter.

From 2010-11 to 2016-17, SAPN achieved the 6 day connection standard on 98% to 99% of occasions. There were few customer complaints about this aspect of service.

The 6 day connection service standard and GSL has remained in place since 1 December 2017, but it applies to SAPN for all connection services other than metering services, which are now the responsibilities of energy retailers via their appointed meter coordinators. There is no service standard or GSL payment relating to timeframes for meter installations following the introduction of metering contestability.

#### Customers have received poor outcomes since the commencement of metering contestability

While there is no reporting of timeframes for meter installations under current contestable arrangements, customer complaints to the Energy and Water Ombudsman SA (EWOSA) about metering timeframes have risen significantly since January 2018. The submission from EWOSA to the AEMC's consultation paper discusses that evidence.

In addition, representations from the Housing Industry Association to ESCOSA suggest that meter installations for new connections now take around 4 weeks on average in Adelaide metropolitan areas and 4 to 6 months in regional areas. In some cases, a lack of coordination between the parties now responsible for connection and metering services has led to customers being left off supply, sometimes for days. These outcomes are unacceptable for customers.

ESCOSA accepts that a reasonable transition period is required to embed any major new energy market reform. However, the new metering arrangements have now applied for eight months and the problems show no sign of abatement.

#### An industry-led solution appears unlikely

Since April 2018, ESCOSA and EWOSA have facilitated fortnightly meetings with major energy retailers, SA Power Networks, representatives of the electrical contractors industry and other government and regulatory bodies. Those meetings have taken place with the purpose of driving short-term, industry-led solutions to the current problems.

Those meetings have addressed the original complaint made by retailers that the primary cause of the delays is a lack of data from SA Power Networks to inform retailers of connection bookings. Since March, SA Power Networks has been providing the necessary data for retailers. Notwithstanding this action, delays continue and in some areas are growing. This indicates that the data issue, while possibly relevant, was not a primary cause of the delays.

It has become evident through the ESCOSA/EWOSA process that the industry has not given sufficient consideration to the requirements for practical implementation of the new reforms in South Australia, particularly in regional areas. Despite the energy industry having had many years to plan and prepare for metering contestability, little consideration appears to have been given by the industry to the resources and processes needed to ensure that meters are installed in a coordinated and timely manner.

It is also evident that the issues being faced in South Australia are also being faced elsewhere, notably in Queensland, New South Wales and Tasmania. A national solution to a growing national problem is required.

#### Regulatory intervention is required to promote better customer outcomes

On the basis that ESCOSA has not seen signs of the electricity industry finding solutions to materially improve the current timeframes for meter installations, regulatory intervention is required. It therefore supports the proposal to introduce obligations under the National Electricity Rules for retailers to install meters within a specified timeframe.

ESCOSA supports the proposed rule change, which would require retailers to use best endeavours to install a meter on a date agreed with the customer, or otherwise within six business days after the customer has met the necessary preconditions. This would provide retailers with the impetus to find

solutions to the current problems and ensure that customer outcomes are no worse, and preferably better, than those delivered under monopoly provision, which was the intent of the reforms.

ESCOSA supports such a rule change being made as quickly as possible. During the period of consultation and consideration of the proposed rule change by the AEMC, ESCOSA and EWOSA will continue to facilitate industry meetings to address short-term issues and will continue to involve the AEMC in those discussions.

Should you wish to discuss these matters further, please contact Nathan Petrus on (08) 8463 3767 or via email on [nathan.petrus@escosa.sa.gov.au](mailto:nathan.petrus@escosa.sa.gov.au).

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'AW', with a long horizontal line extending to the right.

Adam Wilson

Chief Executive Officer