20 September 2018

Jenessa Rabone
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Jenessa

Re: ESTIMATED METER READS DRAFT RULE DETERMINATION - ERC0241

CitiPower, Powercor and United Energy welcome the opportunity to respond to Australian Energy Market Commission's (**AEMC**) draft rule determination on estimated meter reads. While we support the use of customer self-reads of manually-read basic (type 6) meters, our submission highlights a number of cases where the AEMC should limit self-reads as they will either: lead to higher costs to consumers at no long-term benefit or they are not practical.

1.1 Meter self-reads should be limited to manually-read basic (type 6) meters

We do not support the draft decision to allow customer self-reads of interval meters. We consider there are no long-term benefits to consumers from self-reads of interval meters while the cost of this provision is disproportionately high. We ask the AEMC re-evaluate the costs and complexities associated with self-reads of interval meters and limit self-reads to manually read basic (type 6) meters.

There are no benefits to consumers from self-reads of interval meters

The need for estimated reads of interval meters, or substitution reads, are rare. We deliver actual reads for 99.8% of our smart meters at any given point in time. When necessary, for example due to a fault, interval meter data substitutions are undertaken by the Metering Data Provider (**MDP**) (distributors in Victoria) in accordance with the Australian Energy Market Operator (**AEMO**) Metrology procedure. Substitution reads are based on actuals from the "nearest equivalent day or like day" from the prior month. Therefore, as the use of substitute reads is rare and based on recent actual data customers are not able to benefit from self-reads in the long term.

Interval meters are too complex to manually read

As indicated in our submission to the consultation paper on 14 June 2018, interval meters are not designed to be read manually and require the knowledge and understanding of various meter types, technical specifications, controls and displays for which there are trained metering experts. Additional complexities include:

- the meter may not display relevant information at a given point in time, while it registers the correct information internally and in the distributors' data collection systems
- a manual read of an interval meter is particularly complex for customers with Time-of-Use tariffs, where the interval meter displays a cumulative read but the retailer derives the bill from the interval usage data (different to the cumulative read)
- the interval meter register is not always reliable for capturing continuous energy consumption at a site as distributors can apply firmware upgrades to its meters which re-set meter registers to zero. Meter register data is also changed for two element interval meters when a dedicated load customer converts to solar.

The cost of allowing customers to self-read interval meters is high

The draft determination proposes retailers instruct customers how to manually read an interval meter. As the party responsible for managing various interval meters for our customers, including ensuring data collection,

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validations and substitutions, we do not believe it practical to train electricity retailers' call centre staff in this field and believe any attempt to do so would come at a high cost to all consumers and lead to confusion for both the staff and customers. Additionally, given the high-turnover nature of call centres, the training is likely to be on-going and incomplete at a given point in time, adding to the cost and customer confusion/frustration. The most likely subsequent outcome is retailer call centre staff transferring customers to distributor call centres to settle the matter. This would lead to more customer relationship management from distributors, adding to the overall cost of the process.

Due to the need to train retailer call centre staff in the technical aspects of manually reading interval meters, the cost of allowing customers to self-read interval meters will be high even if customers do not take up the opportunity. We therefore consider the best outcome in the long-term interest of consumers is limiting self-reads to manually read basic (type 6) meters.

1.2 Customer should not self-read faulty meters

As mentioned above, a substitute read may be necessary if a meter is faulty at the time of the read. This can be the case for interval meters as well as basic (type 6) meters. The substitute read of a faulty meter is conducted in accordance with the AEMO Metrology procedure. As a faulty meter is likely to display inaccurate data at the time of the manual read, we propose the AEMC specify customer self-reads do not apply in the case of an estimated/substitute read due to a meter fault.

1.3 Customer should not self-read manually read basic meters with solar exports

Manually read basic (type 6) meters will register solar exports as a turn-back in the usage dial, indicating negative usage over a given period. When a meter dial turns back, it is effectively malfunctioning as these meters are not designed or pattern approved for reverse flow measurement. In addition distributors' and retailers' billing systems are not designed for negative usage reads.

When a usage dial is detected to have turned back, a distributor would flag the meter, use the most recent historical positive usage data to estimate a read and replace the malfunctioning meter with a bi-directional meter as soon as possible. This practice is in accordance with the following clauses of the National Electricity Rules (**NER**):

- clause 7.8.2(a)(7) which requires the meter with solar exports is bi-directional
- clause 7.8.10(a)(2) which requires the malfunctioning meter is replaced within 10 business days.

We therefore propose the AEMC also exclude the possibility of self-reads of manually read basic (type 6) meters for customers with solar exports. While the draft decision only allows for 'reasonable self-reads' to be accepted, customers are likely to dispute the opportunity to self-read negative usage particularly if they are exporting electricity.

Should you have any queries about this letter please do not hesitate to contact Sonja Lekovic on (03) 9683 4784 or slekovic@powercor.com.au.

Yours sincerely,

Brent Cleeve
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