



INFORMATION

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Estimated meter reads

Final determination and rule published

The Australian Energy Market Commission has made a more preferable final rule that makes it easier for customers to fix inaccurate estimated bills by providing their own reading of the meter.

Overview of the final rule

Under the final rule, if a small customer receives an estimated bill and they consider it is based on an inaccurate estimate, the customer can request that the retailer adjust the bill by providing their own reading of the meter. This ability to request an adjustment will be available to small customers with electricity accumulation meters or gas meters.

The final rule requires retailers to inform relevant small customers of their right to request an adjustment to an estimated bill using their own meter reading. In addition, the rule also includes additional measures to strengthen existing consumer protections related to estimated meter reads.

The rule is made in relation to three rule change requests that were consolidated. These requests, which were submitted by the Australian Government and two private individuals - Ms Kirsty Johnson and Dr Daryl Dodt - were concerned about the impact that bills based on inaccurate estimates can have on small customers.

Case for change

Bills that are based on inaccurate estimates can have a significant impact on consumers, either through imposing financial hardship or making it difficult for customers to align their behavioural or consumption patterns with the bills they receive.

The Commission considers that the National Energy Retail Rules (NERR), in their current form, do not adequately protect consumers from the harm that can be created by inaccurate estimates. Under the current arrangements, a small customer that has received an estimated bill and believes it is inaccurate does not have a general ability to:

- obtain a replacement bill based on an actual read, or
- obtain an adjusted estimated bill based on their own reading of the meter.

It is important to note the majority of energy bills are based on actual meter reads, with less than five per cent relying on estimated reads. This is expected to decrease further over time as advanced electricity meters that are capable of being remotely read become more common.

However, while estimated reads are likely to decrease, they cannot be fully eliminated. For example:

- advanced electricity meters without remote communications functionality may be installed where the functionality was refused by the customer or where there is no communications network to service the meter
- it may take a number of years for the existing fleet of manually read interval or accumulation electricity meters to be replaced
- there is no requirement for gas meters to be systematically upgraded to be remotely read.

Therefore, the issues related to estimated reads will continue to remain relevant in the future.

The final rule provides customers with a process to request a retailer adjust their estimated bill using the customer's own reading of their electricity or gas meter

Requiring retailers to adjust a bill based on a self-read

The rule places requirements on retailers to adjust an estimated bill based on a small customer's reading of the meter, where requested by the customer. The new requirement is likely to reduce the adverse effects experienced by consumers as a result of bills based on inaccurate estimates, by providing a clear process for them to obtain an adjusted bill.

The rule applies to small customers with electricity accumulation meters or gas meters. As some metering arrangements will be more difficult for small customers to read than others, the rule includes a requirement on retailers to provide guidance to small customers on how to read their meter.

In order to obtain an adjusted bill, the customer will need to lodge their reading of the meter with the retailer before the due date for payment of the existing estimated bill.

The Commission considers that the new requirement strikes an appropriate balance between enhancing customer protections and maintaining flexibility for retailers to design their own approach to using self-reads, which should minimise the costs of implementation by allowing retailers to adapt their current systems.

Informing customers of their right to request an adjusted bill

Under the rule, when a bill has been issued as an estimate, retailers must inform relevant small customers that they may provide their own reading of the meter as the basis for requesting an adjustment to their bill.

Under the new requirements, retailers will need to indicate in advance to customers a range of methods by which they can lodge a self-read, as well as the types of information the customer may need to include when lodging the meter reading.

The rule allows customers the right to provide a self-read if desired, while providing retailers with grounds for rejecting a self-read in necessary cases where the read does not comply with their requirements or is late.

Additional measures to strengthen consumer protections

The final rule also includes other measures to strengthen existing consumer protections applicable to bills, including:

- enhancing the customer dispute provisions in the NERR
- amending the existing rules governing estimated bills to make them clearer
- recommending new civil penalties if retailers fail to comply with the new rules.

Changes between draft and final rule

The final rule largely retains the content and form of the draft rule. However, a number of changes have been made to enhance the operation of the rule and to clarify its intent.

A key change under the final rule is that the requirement on retailers to provide an adjusted bill based on a customer's own meter read will not extend to customers with electricity interval meters. However, retailers will be able to offer this service to small customers with interval meters if they choose to do so.

Implementation

The final rule will commence operation on 1 February 2019. The Commission considered that a period of approximately four months between the publication of the final determination and the commencement of the rule would be sufficient for retailers to implement any necessary changes to their systems and processes.

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