

Department of State Growth

OFFICE OF ENERGY PLANNING

Hobart TAS 7001 Australia
www.stategrowth.tas.gov.au



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

Attention Jess Boddington

Metering Installation Timeframes (ERC0236)

Dear Mr Pierce

The Tasmanian Department of State Growth is pleased to provide a submission on the AEMC's draft determination on Metering Installation Timeframes.

The Department supports measures to reduce the time taken to install meters. The Department's key feedback is that the AEMC should consider all submissions to ensure that meter installation timeframes are able to be met. A key consideration will be in ensuring that the regulatory requirements allow for an efficient meter installation process. If timeframes are not achievable, metering parties will face additional costs (recovered from customers) but customers may still feel dissatisfied that timeframes have not been met.

The Department has been strongly engaged with advanced metering reform and with the subsequent issues in metering installation delays that have occurred since late last year. It is noted that there have been major concerns across all jurisdictions about customer impacts from meter installation delays.

In Tasmania, a number of customer complaints have been made about installation delays. Key industry groups, such as the Housing Industry Association and others, have expressed concern on this matter. At the same time, key metering parties have expressed concern with the new regulatory processes to which they are required to adhere, and the impact this has on the ability to install meters in an efficient timeframe. It is acknowledged that customers have been negatively impacted by extended delays in meter installation, and that more needs to be done to improve customer outcomes.

In terms of customer impacts, it is important to note that no Tasmanian customer has been left without supply as a result of delays where an advanced meter is being installed to replace an existing meter. The Department understands that this has unfortunately been the case in other jurisdictions (in rare circumstances).

Notwithstanding the above issues, the Department would like to formally acknowledge the effort that all Tasmanian metering parties have dedicated to addressing metering issues. The level of coordination among these key parties, in good faith, has resulted in some improved local outcomes for the benefit of Tasmanian customers. At the same time the Department would also like to acknowledge that advanced metering reform has been one of the most challenging and complicated reforms of the energy sector in recent times.

The Department provides the following observations on rule change that should be considered by the AEMC in its final determination:

Metering installation timeframes

- Consideration should be given to the appropriateness of the final timeframes. If advice from metering parties suggests that the timeframes cannot be reasonably met, due to regulatory requirements or other matters, those concerns must be addressed to the fullest extent possible in the final determination and rule.
- Metering parties may need to increase resourcing to meet the proposed timeframes for meter installation. The proposed penalty provisions may also result in compliance costs if the timeframes cannot be reasonably met due to regulatory requirements.
- It is important to note that metering costs are recovered from customers and any additional costs need to be commensurate with customer benefits.

Exemptions

- The Department supports the inclusion of appropriate exemptions from the timeframes within the rule. There are a number of circumstances where a meter installation cannot proceed as intended, for example due to a safety concern. In such circumstances it is unreasonable for the proposed timeframes to commence (or for the proposed penalty provisions to apply) until the issues have been resolved.

Retailer Planned Interruptions (RPIN)

- The Department supports the approach for customers to agree with their retailer on a meter installation timeframe that is sooner than four days. This benefits customers who may wish to have their meter installed as soon as possible and will allow for meters to be installed in a more quickly than is currently possible.

Distributor Planned Interruptions

- The regulatory obligations for Distributor Planned Interruptions and for Retailer Planned Interruptions will be different at the conclusion of this rule.
- The Department contends that it is reasonable for all small customers to provide their informed consent for a planned interruption occurring sooner than four days (whether it be retailer or distributor interruption).
- The Department is currently developing a jurisdictional variation from the NERR that will allow for this aspect, and for other more flexible arrangements, for Distributor Planned Interruptions.
- The Department notes that New South Wales, Queensland, and South Australia have already implemented local arrangements on this matter.

Please contact me should you wish to discuss any aspect of the Department's submission.

A handwritten signature in dark ink, appearing to read 'M. McGee', with a stylized, cursive script.

Matt McGee

**Executive Director
Office of Energy Planning**

30 October 2018