

Thursday, 25 October 2018

Mr John Pierce AO
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Mr Pierce

RE: Metering installation timeframes, Draft rule determination, 13 September 2018 (ERC0236)

Powermetric Metering Pty Ltd (Powermetric) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) Meter Installation Timeframes draft determination (the Draft Determination).

General Comments

Powermetric understands that a number of customers in the market have experienced unfortunate delays in the installation of meters since the beginning of metering contestability resulting in a poor customer experience. Powermetric believes that agreeing on a time for metering installations that suits the customer to be the best possible outcome for all parties involved. Powermetric attempts to do this for each and every metering installation.

The AEMC's draft determination appears to recognise this by ensuring that the proposed maximum timeframes do not apply where a time has been mutually agreed between the customer and the retailer. In this respect, we welcome the draft rule that recognises the current requirement for retailers to provide customers with at least four (4) days' notice of a planned interruption can be inflexible and can cause unnecessary delays. Allowing the flexibility to conduct planned interruptions at shorter notice, providing the customer consents, will help to accommodate customers' changed arrangements and lead to improvements in appointment setting.

Powermetric considers that there is a risk that the maximum timeframes will be seen by some customers as being the only option rather than the smarter solution of negotiating an agreed appointment time. For a residential customer this may be true: speed is likely to be highly important. For business customers however, installing on a date that is inconvenient could cause significant detriment.

There are substantial impacts to businesses if we are forced to interrupt electricity supply to a business within the maximum timeframe because we have been unsuccessful in our attempts to make contact with the business owner to agree an interruption date and time. This scenario will have a very significant impact to customer relations between retailers, Metering Coordinators and businesses. A number of businesses prefer organised interruptions outside of regular business hours which can only be arranged by negotiation with the customer. If we are unable to make contact this may lead to the interruption occurring at the worst possible time of the day for that business.

Large customer meter churns requiring a power interruption have been occurring in the National Electricity Market (NEM) for many years with the standard approach of “no agreed time, no meter change”. While no business ever likes an interruption, this approach has been widely accepted as the norm with no known complaints to our knowledge. In our experience, we can make contact with the vast majority of businesses in a timely fashion. Yet, in some instances we are simply unable to make contact due to a range of reasons, all of which can take significant time to resolve. We, therefore, seek an amendment to the draft rule that provides an exemption for small business customers to ensure that, where no time is agreed, no power interruption can take place. This would support business customers continuing their operations and still encourage retailers and Metering Coordinators to arrange for meter replacements in a timely fashion.

The introduction of metering contestability brought fundamental changes to metering processes and interaction between participants since its introduction in December 2017. It would be premature to impose mandated timeframes when the industry has been working together to improve processes and reduce installation times through this transition. It is our view that mandated timeframes will be a distraction to the improvements that have been made so far, with resources diverted to meet the new stringent deadlines.

Our concerns are explained in greater detail below.

Timeframes for New Connection Customers

For new connections, it is clear that the proposed timeframes are more stringent than what has been imposed on jurisdictional distributors. Further, we are concerned that the new proposed timeframes will be problematic for business customers who raise new connection requests well in advance of the required energisation date, but do not settle on a specific agreed date until the site is ready for the meter installation and to be energised. The proposed compliance timeframe places a firm obligation on retailers to make an agreed date or be subject to the mandated timeframe. However, often Registered Electrical Contractors (REC) appointed by the customer require flexibility in setting dates, which often move around with rescheduling to accommodate all parties on site. The rules need to allow for flexibility to accommodate business customers’ needs.

We understand that the draft rules allow retailers to gain an exception to the proposed meter installation timeframes for new connections in limited circumstances, where there are safety constraints preventing work from proceeding, multi-occupancy site restrictions, preparation work is required, or the site is not accessible. We believe that a further exception should be made when the retailer has been unable to establish contact with the customer and settle on an agreed date.

Allowing for exceptions of unsuccessful contact and flexibility for business customers

In most cases, Powermetric becomes aware of the need to arrange for a metering installation when the customer’s retailer contacts us as a Metering Coordinator. We will then attempt to contact the customer in order to arrange for a time that suits them. However, in some instances we are unable to make contact; small customers rarely have a direct relationship with a Metering Coordinator compared to their retailer. If we are unable to make contact, then based on this draft rule, we would have to notify the retailer who would then issue a Planned Interruption Notice (PIN), which would effectively tell the customer that their meter is being installed on a specific date. This PIN would need to be issued within the regulated timeframe to avoid the risk of breaching rules.

The draft determination does not allow flexibility in providing business customers enough time to reach agreement with us to settle on a suitable appointment time. Powermetric aims in every instance to find a mutually agreeable time with customers to arrange for meter installations so as to not interrupt business customers' operations.

Such an approach does not necessarily lead to a positive outcome for consumers as the date may not be suitable. In the situation where a meter fault has occurred and the customer has not been engaged we will, essentially, be forced to install or exchange meters at a time that may not suit the customer to avoid the risk of a civil penalty.

Even if the customer does contact us or the retailer following the issue of the PIN, it is unclear that this would be compliant with the draft rule.

It is highly likely that an inefficient, costly and wasteful process will ensue if we, and other Metering Coordinators, are forced to visit properties to exchange meters without establishing a suitable time with customers, albeit with prior notification from the retailer of the interruption.

We believe that cases where a Metering Coordinator or retailer has attempted but has been unsuccessful in establishing contact with the customer, be treated as an exception and the mandated timeframe should commence from when contact has been made to organise an appointment time. The concept of 'best endeavours' to the mandated timeframes will accommodate delays from exceptional circumstances with business customers and be consistent with the service provision and flexibility our customers require.

Metering Coordinators requesting exemptions with AEMO

Regardless of an agreed scheduled installation date for fault rectification, the draft rule retains the Metering Coordinator's requirement to seek exemption from AEMO where the mandated timeframe will not be met. We consider this requirement to be needless and inefficient when the retailer already has the customer's consent to extend the installation timeframe beyond the mandated requirements.

Rather than add value or provide any kind of customer protection, this step may actually threaten the retailer's service provision, particularly if AEMO's exemption process is delayed and the Metering Coordinator is exposed to non-compliance and unable to adhere to the agreed timeframe with the customer.

Implementation timeframe

Powermetric is deeply concerned with the proposed implementation date. We believe the start date of 1 January 2019, only 14 business days after the Final Determination is unrealistic and unworkable, falling as it does over the Christmas period. We request a delay to the implementation until AEMO has configured any B2B changes, Victoria has considered jurisdictional derogation, retailers and Metering Coordinators have developed processes and procedures, retailers' website and systems have been altered and sufficient time has been given for Metering Coordinators to agree to service level expectations with retailers.

Rushing these steps to meet a 14-business day implementation over Christmas will lead to unacceptable risks such as inadequately tested market systems and rushed processes and may force some participants into an unmanageable compliance risk situation. We propose a start date of at least

1 April 2019 that will allow for changes to be appropriately managed within a minimum acceptable timeframe.

I appreciate your consideration of these matters and invite you to contact me on the details listed below should you wish to discuss further.

Yours sincerely,



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Metering Provider Manager

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