

25 October 2018



Mr Ed Chan  
Director  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235  
Submitted via AEMC website.

Dear Mr Chan,

### **Metering installation timeframes draft rule determination**

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact on people who are marginalised and facing disadvantage. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets.

PIAC welcomes the opportunity to respond to the AEMC metering installation timeframes draft rule determination. PIAC supports the intent of the draft rule, which will help to ensure that consumers are not left with unacceptable delays having new meters installed by their retailer.

### **The timeframes in the draft rule are appropriate for new connections and meter exchanges, but not for meter malfunctions**

PIAC supports a harm-cognizant, impact-based approach to consumer protections. The level of protection for a given service must be commensurate with the potential harm to the consumer from something going wrong. This consideration must be made irrespective of the method and technology involved in delivering the service. We contend that the draft timeframe requirements are a key consumer protection measure.

Considering this, PIAC supports the timeframes in the draft rule for new connections (six business days) and meter exchanges (15 business days). In particular, we support the recognition that new connections require tighter installation requirements commensurate with the potential harm of delay; where the consumer is without supply until they receive a meter. However, PIAC neither accepts the AEC's position in its rule change request<sup>1</sup> that retailers should be given 20 days to replace malfunctioning meters, nor the AEMC's draft determination that 15 days is appropriate.

Currently, the Rules require malfunctioning meters be replaced within ten business days. PIAC acknowledges the increased coordination required following the introduction of metering contestability in December 2017. However, we note that this reform was intended to facilitate

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<sup>1</sup> AEC, [Amendments to Part 2 Division 9A of the National Electricity Retail Rules, Amendments to Part D Metering installation of the National Electricity Rules](#), May 2018, 6.

consumer benefits, not doubling the allowable time to replace malfunctioning meters, with potentially significant negative consumer impacts.

PIAC does not accept the AEMC's primary reason for allowing the timeframe to be extended to 15 days, being that malfunctions do not produce consumer harm in the form of supply interruptions. In its draft determination, the AEMC stated:

The Commission is not aware of any cases of complaints that malfunctioning meters are leading to customers being left off supply. All DNSPs have agreed to 'bridge' the meter to maintain supply if the meter malfunction could have an impact on continued electricity supply for the customer.<sup>2</sup>

However, PIAC notes the Energy & Water Ombudsman NSW's (EWON) consultation paper submission, which includes two case studies demonstrating that, even with DNSP 'bridging' in place, consumers were left with lengthy supply interruptions while they waited for malfunctioning meter replacements.

Given the evidence provided by EWON that there is potential for considerable consumer harm (supply interruptions) due to meter malfunctions, we do not consider it appropriate that the timeframe for replacement of these meters be extended.

Therefore, PIAC recommends that the final rule make no change to the 10-day limit for replacement of malfunctioning meters.

### **The timeframes should be enforceable requirements, not a 'best endeavours' rule**

PIAC contends that it is not appropriate for metering installation timeframes to be expressed as a 'best endeavours' requirement. We agree with consultation paper submissions from the AER that such requirements are difficult to enforce, leading to a lack of compliance.<sup>3</sup> Further, we note that Energy Queensland finds 'best endeavours' rules are not well-understood by consumers, who consider the timeframes to be a firm requirement.<sup>4</sup>

Combined, these issues are likely to lead to even more confusion and frustration for consumers, as meters are not installed within a timeframe that the consumer considers to be firmly regulated.

Instead, we support the inclusion of timeframes in the Rules as firm requirements, subject to enforcement by the AER. This will ensure that consumers receive meters within the required timeframes. Therefore, PIAC supports the provision for firm, enforceable timeframes in the draft rule.

### **Retailers' 24-hour telephone enquiry lines should be maintained**

PIAC also supports the draft determination that retailers should continue to be required to provide a 24-hour telephone contact number for all enquiries related to retailer planned interruptions if the retailer has not obtained the customer's consent for the interruption to occur on a specified date. As noted by EWON, the 24-hour phone line was:

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<sup>2</sup> AEMC, [Draft Rule Determination – National Electricity Amendment \(Metering Installation Timeframes\) Rule 2018, National Energy Retail Amendment \(Metering Installation Timeframes\) Rule 2018](#), September 2018, 40.

<sup>3</sup> AER, [Submission on metering installation timeframes consultation paper](#), July 2018, 2.

<sup>4</sup> [Energy Queensland, Energy Queensland Limited submission to the National Electricity amendment \(Metering Installation Timeframes Rule\) 2018 and National Energy Retail Amendment \(Metering Installation Timeframes\) Rule 2018 Consultation Paper](#), July 2018, 7.

...a service that was provided by distributors and it was clear during the consultation process for the move to Power of Choice that retailers would continue this as part of taking on the responsibility for metering.<sup>5</sup>

Further, retailers will be required to provide a 24-hour phone line for life support customers from February 2019. PIAC sees no reason why this phone line cannot also be used to maintain the contact services for interruptions.

### **Implementation of the rule change must be undertaken as soon as possible**

PIAC notes the submission by EWON to the consultation paper for this rule change, which describes a steady increase in customer complaints about metering installation delays from January 2018 to June 2018.<sup>6</sup> This is consistent with case studies from Alternative Technology Association members reported by PIAC in our submission to IPART's review of retailers metering installation practices.<sup>7</sup> Clearly, meters are not being installed in a timely manner, that meets the needs of consumers. In PIAC's view, this is unacceptable.

Therefore, PIAC supports the implementation of the rule as quickly as is practicable. PIAC agrees with the AEMC that the industry has already had a substantial amount of time to prepare for metering contestability, and supports the proposed implementation date of 1 January 2019.

### **Continued engagement**

PIAC would welcome the opportunity to meet with the AEMC and other stakeholders to discuss these issues in more depth.

Yours sincerely,

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<sup>5</sup> EWON, [AEMC Reference ERC0236 – Metering installation timeframes](#), July 2018, 5

<sup>6</sup> Ibid, 2.

<sup>7</sup> PIAC, [\(Kilo\)meters short of expectations](#), August 2018.