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Ms Lisa Shrimpton  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Submitted online

26 July 2019

Dear Ms Shrimpton,

**Submission to the Australian Energy Market Commission's ("AEMC") Reducing Customers' Switching Times (Retail) Consultation Paper**

The Energy and Water Ombudsman (SA) Limited ("EWOSA") welcomes the opportunity to comment on the AEMC's Reducing Customers' Switching Times (Retail) Consultation Paper.

EWOSA is an independent Energy and Water Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity, gas or water.

## **Background**

The Australian Energy Market Operator (AEMO) has submitted a rule change request to the AEMC to amend the National Electricity Rules (NER) and the National Energy Retail Rules (NERR). The AEMC has titled the rule change request "Reducing customers' switching times (retail)".

The AEMO rule change request has followed joint advice to the COAG Energy Council from the AEMC and AEMO about improving the customer transfer process in the NEM. This advice considered the related recommendations 8 and 9 of the ACCC Retail Electricity Pricing Inquiry Final Report. The AEMC and AEMO advice was provided in response to a request from the COAG Energy Council Senior Committee of Officials.

AEMO aims to improve the retail customer transfer process to allow customers to transfer electricity retailers within two days after the end of the cooling off period irrespective of metering type. This is in line with the advice to the COAG Energy Council from the AEMC and AEMO. AEMO is proposing a number of amendments and clarification to the NER and NERR to support the delivery of AEMO's customer transfer high level design and proposed change to the MSATS CATS procedures. AEMO is seeking to clarify the rights and obligations of parties in the process of retail customer transfers.

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## Submissions

EWOSA supports the broad intent of the rule change proposal to reduce customers' switching times. As noted in the Consultation paper, the proposal will be of most benefit to consumers with metering installations that need to be manually read, around 69% of customers.

EWOSA has addressed specific questions from the AEMC stakeholder feedback template below, as numbered in the template:

*3. Are there any unintended impacts from removing or clarifying clause 7.8.9 (e) 2 of the NER and including the requirement in AEMO's meter churn procedures?*

EWOSA is concerned that removing clause 7.8.9 (e) 2 of the NER and including the requirement in AEMO's meter churn procedures dilutes the compliance and enforcement regime for Market Settlement and Transfer Solution Procedures (MSATS). EWOSA has recently noticed an increase in delays relating to updating of MSATS for new and replacement meters. EWOSA is keen to ensure that the AER is still in a position to be able to ensure compliance for updating of MSATS.

*5. Is there any evidence to suggest that customers with manually read metering installations would not take up alternative meter read options to transfer retailers in a timely and seamless manner?*

EWOSA has noted some interest by customers in meter self reads but it is too early to determine how much this will be taken up. EWOSA is not aware of instances of customers not wishing to avail themselves of self reads once they are aware that is an option. EWOSA believes that it is important for retailers to give sufficient information to customers on self reads.

*6. Based on AEMO's proposed high level design and changes to the existing procedures, are clarifications required to clause 21(1) of the NERR to remove ambiguity about issuing final bills on estimate metering data?*

EWOSA does not support the AEMO proposal that clause 21(1) be amended to accommodate the use of estimates for a final bill where the Retail Market Procedures allow for use of an estimation. EWOSA receives significant numbers of complaints about estimated reads. Estimates should only be used where a customer has agreed to their use or where there is a reason why an actual read could not be performed, such as access, or where metering data is not provided to the retailer by the Responsible Person or Metering Coordinator.

*7. Are additional provisions required in the NERR to address overcharging and dispute resolution arrangements in situations when a retail electricity customer has transferred using estimate meter read?*

EWOSA is concerned the provisions related to overcharging where a customer has ceased to obtain the services from the retailer and the retailer must use its best endeavours to refund that amount within 10 business days. EWOSA's experience is that many retailers fail to meet their 10 day obligation. EWOSA believes that the provision should be stronger and provide for the refund to be at least within 10 business days. In fact, EWOSA considers that given the electronic payment systems, consideration should be given to refunds occurring within 5 business days.

Thank you for consideration of this submission. Should you require further information or have any enquiries in relation to this submission, please contact Jo De Silva via [jo.desilva@ewosa.com.au](mailto:jo.desilva@ewosa.com.au) or phone (08) 8216 1851.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Jo De Silva', with a stylized, cursive script.

Jo De Silva  
Policy and Communications Lead  
Energy and Water Ombudsman SA