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7 November 2019

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

Dear Mr Pierce

### **Reducing Customers' Switching Times (ERC0276 / RRC0031)**

Ergon Energy Queensland Limited (Ergon Energy Retail) appreciates the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on the *Reducing Customers' Switching Times* Draft Rule Determination (draft rule determination). This draft rule determination is in response to a rule change request from the Australian Energy Market Operator (AEMO) to create market processes that will allow customers to transfer electricity retailers within two days, and will cease retail save activity allowing customers faster access to the products they want.

In response to the draft rule determination, Ergon Energy Retail makes the following comments.

1. Undercharging - Ergon Energy Retail is supportive of the AEMC rejecting AEMO's proposal to prohibit retailers from recovering undercharged consumption from customers. This is a common-sense approach and reflects our response to the AEMC's initial consultation paper. This issue is particularly relevant for Ergon Energy Retail which, as a non-competing retailer, is almost always the 'losing' retailer and would otherwise incur the costs of this proposed reform without receiving any of the suggested benefits such as balancing lost revenue with new customer business.
2. Proposed approach - Ergon Energy Retail acknowledges that the AEMC has considered the retailer-to-customer and network-to-retailer billing issues which may arise from the use of customer self reads for customer transfers. While the AEMC suggests that these issues "*may be facilitated by AEMO's B2B processes as part of their procedure change*"<sup>1</sup>, we suggest that the AEMC consider the following alternative approaches (for customers with manually-read meters only):
  - i. Customer self reads provided to the winning retailer at transfer could be published to the market by the winning retailer. This would allow for the customer read to be visible to all participants and formalise the read for settlement.
  - ii. The Metering Data Provider could be required to accept customer self reads from the winning retailer for customer transfer, and publish the customer self-read to the market. This would make the customer read visible to all participants and formalise the read for settlement, using existing roles to effect the change.

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<sup>1</sup> Page 18, footnote 45 AEMC *Reducing Customers' Switching Times* Draft Rule Determination

- iii. Transferring small customers based on the last read date would facilitate quicker customer churns without requiring actual / estimated / customer self reads and importantly, without significant rework to retailer systems and processes. Ergon Energy Retail notes that AEMO proposes a limit of 15 days from the last read, but we question whether such a limit is necessary.
3. Notification of transfer to current retailer - Ergon Energy Retail accepts the principle of the proposed change to limit the ability of a retailer to engage in 'save' activity. However, we note that without notification of the customer transfer until after it is complete, the current retailer has no way of intervening in or avoiding erroneous transfers or rework to reverse the transfer. We therefore suggest that there may be a way to permit notification of transfer to avoid erroneous transfers without compromising the intent of this proposed change.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact me on (07) 3664 4970.

Yours sincerely



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