

19 December 2016

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

Dear Mr Pierce

**RE: AEMC DRAFT DETERMINATION – NATIONAL ELECTRICITY AMENDMENT  
(USING ESTIMATED READS FOR CUSTOMER TRANSFERS) RULE 2016  
(REFERENCE ERC0196)**

Endeavour Energy welcomes the opportunity to comment on the AEMC's Draft Determination regarding the National Electricity Amendment (Using estimated reads for customer transfers) proposed rule.

Endeavour Energy understands the Estimated Reads Rule Change Request, submitted by the Council of Australian Governments (COAG), sought to allow estimated meter reads to be used for the purpose of in-situ customer transfers between retailers. While not prohibited under the current regulatory framework, promoting the use of estimated reads was identified as one possible solution to the problems encountered by customers experiencing significant delays in the transfer process.

We agree with the AEMC findings that the introduction of an additional transfer option using estimated reads is not likely to be in the long term interest of consumers and will not contribute to the achievement of the National Electricity Objective.

In the draft rule determination, the AEMC highlights a number of recent changes and new information that influenced its decision. These include:

- a significant improvement in the average transfer time across the NEM (with an increasing proportion of transfers occurring within the benchmark 30 days);
- the continued roll out of Type 4 meters in response to the AEMC's Competition in Metering rule change contributing to improved transfer times and resolving chronic access issues that delay transfers;
- expected estimated reads for transfer costs to be similar to the costs currently charged for a special meter read;
- unavoidable complexities and costs that will be imposed on several parties during the transfer process. Critically, customer confusion and complaints may occur following issues with the first bill following a transfer on an estimated read.

Endeavour Energy considers the clear and significant improvement in the customer transfer process observed since AEMC's 2014 Review of Electricity Customer Switching largely negates the need for a rule change. This is reinforced by our expectation of accelerating improvements as more advanced meters are installed. It is not apparent to us

that a rule change will improve the customer transfer process in a meaningful and material way. It is however clear that any benefits would be outweighed by the costs associated with the rule change.

We are confident the AEMC has reached its decision based on a thorough process of evaluation and analysis. In failing to adequately meet the assessment criteria, the AEMC has demonstrated the proposed rule will not likely contribute to the achievement of the National Electricity Objective and National Energy Retail Objective. As a result, we support the AEMC's decision not to draft a rule change.

If you have any queries or wish to discuss this matter further please contact Jon Hocking, Manager of Network Regulation at Endeavour Energy on (02) 9583 4386 or alternatively via email at [jon.hocking@endeavourenergy.com.au](mailto:jon.hocking@endeavourenergy.com.au).

Yours sincerely



Rod Howard

**Acting Chief Executive Officer**