



Using estimated reads for customer transfers

Stakeholder submissions invited on new rule change request

The AEMC has commenced consultation on a rule change request from the COAG Energy Council to allow small customers to transfer to a new electricity retailer more quickly by using an estimated meter read.

Summary and background

The rule change request aims to reduce the time it takes small customers to transfer to a new retailer by allowing customers with manually-read meters to transfer based on an estimated meter read, rather than waiting for the next scheduled meter read.

This proposal is based on a recommendation from the AEMC's Review of Electricity Customer Switching (published in 2014). This review found issues with the accuracy and timeliness of customer transfers. The review made six recommendations to improve specific aspects of the customer transfer process, including the recommendation in this rule change request.

Consultation has also started on a separate rule change request on another two of the review's recommendations regarding improving the accuracy of customer transfers.

Key aspects of the proposed rule change

The intention of the rule change is to offer customers an additional option which could save them (and retailers) time or money. The use of an estimate would avoid the need to wait up to three months for the next scheduled meter read, a key reason why 50% of small customer transfers where the customer is not moving house currently take 30 or more days to complete. It would also avoid meter access issues and the cost to retailers or customers of a special meter read.

The COAG Energy Council proposes that estimated reads could only be used if all of the following conditions are met:

- the customer is changing retailers without moving house;
- the customer has given explicit informed consent to the use of an estimate;
- the customer's meter is manually read (not an advanced meter which can be read remotely); and
- the customer's previous meter read was an actual read.

To limit the impact on retailers, it is proposed that the same estimated meter read would be used by both the outgoing retailer and the new retailer for customer bills, wholesale market settlement and other key charges retailers pay.

Issues for consultation

The AEMC has published a consultation paper that seeks stakeholder feedback on a number of issues relating to the use of estimated reads for customer transfers. Some of these issues are outlined below.

- Identifying the reasons why consumers and retailers are currently unwilling to transfer on an estimated read.
- Whether the proposed restrictions on transferring on an estimate are sufficient to overcome the reasons for the current reluctance to use estimates on transfer.

- Whether any changes to the proposed restrictions on transferring on an estimate would improve the effectiveness of the proposed rule in reducing transfer times, or would reduce the cost of implementing the proposed rule, without sacrificing customer protections.
- What the consequences should be, for the customer, the outgoing retailer and the new retailer, if an estimate is used without the customer's explicit informed consent.
- What, if any, issues would be raised by the use of an estimated read (not corrected by an actual read) for a final bill with retail billing, wholesale market settlement or other payments made by retailers, and how the costs of addressing such issues compare to the benefits of quicker and easier transfers.
- Whether a new dispute resolution process is required for disputes between a retailer and a metering data provider in relation to an estimated meter read, and if so, what that process should be.

Consultation process

The consultation paper and the rule change request are available on the AEMC's website. Stakeholders are invited to make written submissions in response to issues raised in the consultation paper and the rule change request by no later than **9 June 2016**.

The consultation period, usually four weeks, has been extended to six weeks as this rule change request and the other rule change request on improving the accuracy of customer transfers are open for submissions at the same time.

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28 April 2016