



ACTIVESTREAM

28 January 2016

**Mr Richard Khoe  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235**

**Lodged online: [www.aemc.com.au](http://www.aemc.com.au)**

Dear Mr Khoe,

**RE: Draft Determination - National Electricity Amendment (Meter Replacement Processes) Rule 2015 (Reference: ERC0182)**

Active Stream Pty Ltd (**Active Stream**) welcomes the opportunity to provide a submission to the Australian Energy Market Commission (**AEMC**) in response to its Draft Rule Determination with respect to the National Electricity Amendment (Meter Replacement Processes) Rule 2015 (the **Draft Determination**).

We are an accredited Meter Provider and Meter Data Provider, which provides digital metering devices and data services to energy retailers, distributors, and other businesses in the National Electricity Market. Established in 2014, Active Stream is a wholly-owned subsidiary of AGL Energy Limited, our digital metering solutions enable businesses to fully realise the benefits of advanced metering technology to deliver their services more efficiently and offer innovative products which better meet the needs of current and future energy consumers.

Active Stream broadly supports the intention of the Draft Determination including amendments to the National Electricity Rules (NER) which require the Market Settlement and Transfer Solution (MSATs) Procedure to allow incoming retailers to nominate metering service providers prior to taking retail ownership of a connection point. We contend that as a metering service provider, this ability provides job certainty and transparency on the accountability of metering parties at a connection point<sup>1</sup>. We also strongly support the AEMC's assessment that negative customer experience "has the potential to grow and, more broadly, undermine confidence in the retail market"<sup>2</sup> – a concern that will only grow once metering competition opens to the residential market.

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<sup>1</sup> Assuming there are no objections raised in MSATs, or where they are, that they are resolved within the allocated time period.

<sup>2</sup> AEMC Meter Replacement Processes Rule 2015 – Draft Determination; page 13

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However, while we welcome the AEMC's intention to reduce the impact on meter exchange by attempting to align it with the completion of a retail transfer, we do not believe that this direction, through changes to the MSATs Procedure, will result in a beneficial change to the process implemented under current arrangements.

Further, Active Stream does not believe that the Draft Determination will fully address the concerns outlined in the rule change request. Specifically the risks associated with increased demand for meter service provision or changes to meter configurations over peak periods, which has the potential to impact competition, service delivery and therefore customer experiences.

Our concern arises, because MSATs is a historical process (i.e. it is not a 'real time' system) and therefore only processes information (such as change requests, meter reads etc.) after a notification has been sent at the end of each day. As such, a true alignment under this approach cannot be possible because the incoming parties to a connection point will only realise that they have moved from "nominated" to "incumbent" on the next business day, once notifications have been generated in MSATs. It then may take some time to organise a physical meter replacement.

Dependence on this 'ex post' market process will have several impacts on the operations at a connection point:

- Service providers must organise a physical replacement. They may not have had sufficient time to schedule a meter replacement between "nomination" and "appointment", or may be unintentionally delayed as a result of, for example, no site access, unexpected meter configuration, asbestos etc.
- Customers who have signed up to a new retail product will have to wait between one and, per current Service Level Procedures, up to 20 business days before their meter is replaced and their new services can be accessed. This also impacts the timing and functionality of the customer's retail contract.
- Retailers must separately bill customers for basic and digital meter services.

Active Stream suggests that instead of limiting meter replacement to the same day as retail transfer, it should enable retail transfer to be "aligned on the same day that a meter is physically changed".

This process would retain the AEMC's position that incoming retailers do not take over retail ownership of a connection point until the transfer completes, but would allow the incoming metering service provider/meter technician to take a meter reading on the 'old' meter and replace it on the scheduled retail



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transfer date. These dates would then be aligned in MSATs to provide transparency, accountability and responsibility to market participants.

Active Stream also points out that market participants are very well versed in this type of an approach as it was commonly used in the market prior to the last Meter Churn Procedures amendment. As such, we believe it is unlikely that revisiting this process would be costly, confusing, time consuming or difficult to implement, assuming appropriate and suitable direction was provided via the NER.

We therefore urge the AEMC to consider this alternative approach which we believe results in minimal operational disruption, while still delivering on the AEMC's policy intent to provide clarity on the rights, responsibilities and liabilities of metering parties at a connection point.

If you would like further details or clarification on our views, please don't hesitate to contact me on [JRClark@activestream.com.au](mailto:JRClark@activestream.com.au).

Yours sincerely,

Jason Clark  
**General Manager – Active Stream**