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Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

Dear Mr Pierce

ERC0195 - NATIONAL ELECTRICITY AMENDMENT (IMPROVING THE ACCURACY OF CUSTOMER TRANSFERS) RULE 2016 – CONSULTATION PAPER.

Ergon Energy Corporation Limited (Ergon Energy), in its capacity as a Distribution Network Service Provider (DNSP) in Queensland, welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC) on its *National Electricity Amendment (Improving the accuracy of customer transfers) Rule 2016 – Consultation Paper* (Consultation Paper).

Ergon Energy strongly supports measures that will improve the customer experience and we acknowledge there may be benefit in creating a standardised address format designed to reduce the risk of erroneous transfers. As a DNSP supplying regional Queensland, many of our customers, are located on large properties in remote locations, which can create difficulties in ensuring the accuracy of customer data. To manage this risk we have recently updated our processes and moved to the Local Government address system. For this and other reasons outlined below, we consider the benefit for Ergon Energy, and industry and customers generally, in creating a standardised platform must be appropriately quantified prior to this rule change proceeding.

As noted by the AEMC incorrect transfers make up only 2.2 per cent of customer transfers. Considering the relative infrequency of this occurrence, the extent to which the risk of it occurring could be further mitigated by a standard format must be carefully examined in terms of both cost and benefits. Specifically, Ergon Energy notes that many of the difficulties associated with customer address data; such as a customer's belief they live in a different suburb when located on a boundary, issues with corner blocks, and for Ergon Energy large properties that can be multiple kilometres wide, are difficult to overcome through the use of a template as the problem generally stems from the customer's understanding of their actual address. As such, a cost benefit analysis and

detailed industry consultation on the format of the standard needs to be undertaken to determine whether the costly systems upgrades required would deliver a proportionate benefit, particularly in consideration of the small number of customers impacted.

Due to these factors, Ergon Energy recommends the AEMC examine alternate solutions that would not necessitate costly systems upgrades that may have limited impact. This includes improving National Metering Identifier address search capability within the Market Settlement And Transfer Solutions which would assist in identifying potential mismatches, and / or placing a greater requirement on retailers to more effectively validate their new customer's address.

If the cost benefit analysis proposed identifies a net benefit in developing an address standard, Ergon Energy would support the process being delivered via an incremental approach, with the new standard applied to customer churn and new connections. This would prevent large costs being incurred by industry through any requirement to apply the new address standard to all customers. Further, as the system changes required for the *Competition in metering and related services* and other related rule changes are the priority for industry over the next 18 months and will require significant resources, adding another layer of complexity to the process at this time, is not warranted. Consequently, Ergon Energy considers any such changes should be not scheduled until after the abovementioned reforms are finalised and embedded within industry.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact either myself on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours sincerely



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