

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

14th February, 2014

By submission online

Review of Electricity Customer Switching – Response to Options Paper

Dear Sir,

Thank you for the opportunity to provide further comment on the review of customer switching. Energy Action has studied the recently issued Options Paper in detail and would now like to provide you with the following input.

As was raised in our initial submission, we believe that performance of switching arrangements for large customers deserves to be treated on an equal footing with switching arrangements for small customers. This is particularly so as the prospective costs to large customers where transfers fail to take place by their stipulated dates can be significant. In our initial submission we provided details of our experience in the large customer market which supports our case for its consideration under the review.

We note the AEMC's position that it will continue to focus on small customer switching performance for the current review and we are encouraged by the AEMC's preparedness to incorporate large customer requirements within this review where there is commonality in the transfer process. Nonetheless, the performance of large customer switching must be given a proper airing if this important customer group is to receive the level of service that it deserves. To this end we encourage the AEMC to further consider large customer switching issues both to the extent that this is possible within the current review and by the establishment of subsequent reviews whereby this matter can be addressed more fully.

With regard to the tabled options for switching improvements I would like to offer the following comment on the issue of improved reporting. Option A4 of the paper describes enhanced monitoring of the customer transfer process. As described in our previous submission, the appropriate metric for measurement of transfer timing in the large market is the number of days by which the transfer is late from its targeted date. We note from the Options Paper that this is accepted by the AEMC.

Given the data intensive and highly prescriptive nature of the transfer process it should be a straightforward step for the AEMO to produce statistics on the number of late large market transfers and other metrics on the number of days late and the reasons why. One characteristic of the large customer market that would become better understood with enhanced reporting is the prevalence of retrospective transfers, these being where the transfer is back dated to become

effective at some time in the past. Whilst currently receiving little attention these types of transfers are symptomatic of more fundamental shortcomings in retailer, network and metering provider performance.

The options paper itself describes a number of potential statistics that could be made available by the AEMO with these being broken down by retailer and by NEM jurisdiction. We believe that were statistics on large market late transfers to be included in this enhanced reporting that it will provide a spotlight on the performance of large customer switching arrangements which is currently absent. For large customer transfers a breakdown by Metering Provider/Data Agent as well as by retailer and NEM jurisdiction would be valuable in identifying variations in performance between these entities. An increased level of transparency for transfer statistics will act in itself to improve customer service with regard to meeting transfer dates.

Energy Action welcomes the opportunity to participate in the current review and is supportive of the AEMC in this undertaking.

Scott Wooldridge
CEO

Energy Action