

22 December 2016

Australian Energy Market Commission
PO Box A2449
South Sydney NSW 1235

Lodged online: http://www.aemc.gov.au/Contact_Us/Lodge-a-submission.aspx

Using estimated reads for customer transfers – Draft Rule Determination

Simply Energy welcomes the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) in response to the Draft Rule Determination – Using Estimated Reads for Customer Transfers (Draft Rule Determination).

Simply Energy operates in Victoria, South Australia, New South Wales, Queensland and the Australian Capital Territory retailing electricity and gas to over 600,000 customer accounts.

In June 2016 Simply Energy responded to the AEMC's questions raised within their Rule Request and Consultation Paper. Our submission also provided the position that *"Simply Energy supports the requested rule change of allowing for estimated reads for customer transfers. However we only support the change if there is concrete evidence that the benefits of this rule change outweigh the costs, particularly any borne on the consumer."*

Simply Energy is pleased that the concerns raised in our June 2016 submission along with other submissions raising similar concerns, complexities and limitations have been reflected in the AEMC's Draft Rule Determination. The Draft Rule Determination confirms that this proposed rule change would not provide more benefits than costs.

We note the Draft Determination crucially outlines that transfer time improvements have been achieved. For example, page 8 of the Draft Rule Determination states that *"the average transfer time has reduced by one week (a 20 per cent improvement), a clear majority of transfers now take place in less than the recommended period of 30 days, and the proportion of transfers taking lengthy periods has decreased."* These findings suggest that, with continued improvement in both the timing and accuracy of transfers, a new rule that creates further complexity is not warranted. This is especially so when the rule change is proposed without any formal testing to demonstrate that it is expected to reduce transfer times or increase customer satisfaction.

Simply Energy welcomes the AEMC's Draft Rule Determination as it reflects a realistic assessment of the net benefits of the proposed rule and allows industry to deploy new technology and improved processes to further improve service levels in relation to customer transfers. In particular, greater penetration of digital metering will further improve the customer switching process and meter reads will occur more frequently, which means there will be less reliance on estimated reads in general.

Transfer times have reduced and the implementation of the Metering Contestability Rule Change on 1 December 2017 should further address concerns customers may have with in-situ transfers. The industry should be fully focused on implementing this complex rule change and not divert time and resources to new rules that would provide very little benefit in comparison.

Simply Energy supports the AEMC's draft rule determination to not make the proposed rules regarding the use of estimated reads for in-situ customer transfers.

If you have any questions or wish to speak to a representative from Simply Energy regarding this submission, please do not hesitate to contact Alan Love on 03 8807 5113.

Yours sincerely,



James Barton
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