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Access to NMI Standing Data

Dear Anita

United Energy (UE) appreciates the opportunity to provide comments on the AEMC Consultation Paper titled Access to NMI Standing Data rule change proposal.

This rule change request is in response to the AER compliance bulletin issued in June 2012. Energy Australia (EA) has highlighted that retailers and other participants use third parties to perform certain functions/services on their behalf. EA considered that the AER compliance bulletin related to limiting access of their authorised agents, to MSATS and to NMI standing data. This may lead to increased costs for retailers and consumers, where retailers may have to restructure or develop in-house functionality for certain services in order to comply with the NER.

The rule change proposed is seeking to address existing business structures and use of sub-contractors, it is not seeking to address matters under Power of Choice regarding third party and energy service providers who may contract with customers for energy services.

The AER considered that market participants may not be complying with their confidentiality obligations under the NER 8.6.1 if they provide a sub-contractor with passwords to MSATS and thereby access to NMI standing data.

EA have requested that a new provision which explicitly provides for retailers and their agents or sub-contractors) to access and receive NMI standing data so that it could be used for relevant retail activities – consumer acquisition and transfer, billing and settlements etc. EA noted the AER concerns regarding data security and privacy issue arising from wider access to MSATS than is explicitly stated in the NER. However, EA note that these concerns are mitigated by the fact that any party accessing MSATS data would be bound by all legislation within their commercial agreements with retailers. EA importantly notes that although the agents or sub-contractors are not directly licensed or authorised under regulatory frameworks, the principle (in this case the retailer) will be liable for the actions of its agent.

EA proposes that the NER make explicit the fact that retailers, and their agents or sub-contractors, are permitted to access standing data for the legitimate purpose of conducting relevant retailing activities.

EA noted that a number of participants in the energy industry use a variety of sub-contracting models for back office, call centres or IT and that this has been seen as a cost effective way of delivering the required services to consumers. It is also perceived to have been supported to an extent in the MSATS Introduction Guideline¹ where access to MSATS is able to extend to agents or sub-contractors. Any move away from these industry arrangements has the potential to increase costs to consumers and may not meet the National Electricity Objective.

Distributors also use, and provide into MSATS, MSATS data for the following:

- Retailer or customer churn at a premise;
- Network billing;
- Network services – connection, addition/alterations to connections, energisation etc;
- Creation and provision of NMI standing data; and
- Metering and meter reading, metering data (energy data, processed or validated metering data).

Distributors may provide data into MSATS in their role as local network service provider, meter provider or metering data provider. The AER also notes the use of agents in relation to onselling and exempt electricity networks as these agents may facilitate billing, metering and other network services.² The use of agents to provide customer services is nothing new in the industry.

Preferred Rule

Consistent with EA's recognition that this is not just an issue for retailers, UE suggest that the drafting cater for registered participants more broadly. UE is conscious of energy affordability and increasing energy prices. As a matter of principle, a registered participant should be able to deliver the customer network and retail services in a cost effective manner whilst still ensuring privacy and confidentiality is maintained. UE suggest that the proposed amendment be made to cater for registered participants in the new 7.7 (a) (10):

7.7 Entitlement to metering data and access to metering installation

(a) The only persons entitled to access *energy data* or to receive *metering data*, *NMI Standing Data*, *settlements ready data* or data from the *metering register* for a *metering installation* are:

....

(10) Registered Participants and /or their agents acting on behalf of a registered participant in providing services on behalf of/or to the registered participant.

NER 7.10 requires that the data listed in 7.7 be kept confidential and treated as confidential information.

7.10 Confidentiality

Energy data, *metering data*, *NMI Standing Data*, information in the *metering register* and passwords are confidential and are to be treated as *confidential information* in accordance with the *Rules*.

NER 8.6.1 requires registered participants to keep this confidential information, confidential where it is in the possession or control of the registered participant, not just regarding the access of this same data in the MSATS system. NER 8.6.2 allows some exceptions, it does not prevent employees or advisers

¹ AEMO MSATS Introduction Guide, V9.04, 11 April 2011, Clause 2.3 page 4

² AER Electricity Network Service Provider Registration Exemption Guideline, 16 December 2011

having access to the data where they require this data for the purposes of the Rules. For the avoidance of doubt, and to ensure consistency with the MSATS Introduction Guideline clause 2.3, UE suggest that 8.6.2 (b) (1) also be extended to cover the concept of using an agent for the purposes of delivering services to customers.

(b) (**employees and advisers**): the disclosure of information by a *Registered Participant* or the *Registered Participant's Disclosees* to:

(1) an employee, ~~or~~ officer, or agent of the *Registered Participant* or a *related body corporate* of the *Registered Participant*; or

(2) a legal or other professional adviser, auditor or other consultant (in this clause 8.6.2(b) called **Consultants**) of the *Registered Participant*,

which require the information for the purposes of the *Rules*, or for the purpose of advising the *Registered Participant* or the *Registered Participant's Disclosee* in relation thereto;

These proposed changes better facilitate the intent of the EA proposal and improve consistency across the NEM instruments. The changes are not intended to dilute responsibility regarding confidentiality and privacy that reside with the principal agent being the registered participant.

Should you have any questions in relation to this submission please do not hesitate to contact me on (03) 8846 9856.

Yours sincerely

Verity Watson

Manager Regulatory Strategy