



Meter Read and Billing Frequency rule change request

Summary notes from AEMC meeting with Queensland consumer groups 12 February 2016

Organisations represented:

- AEMC
- Bundaberg Irrigators
- Canegrowers Australia
- Chamber of Commerce and Industry
- National Council of Women Queensland
- Good Shepherd
- Queensland Consumer Association
- Queensland Council of Social Services

The summary below has been prepared by AEMC staff. It does not represent the views of the AEMC, but has been approved by the organisations represented as an accurate representation of points discussed at the meeting. The AEMC intends to treat this summary as it would a submission.

At a meeting with the AEMC on 12 February 2016, consumer groups made the following points:

Background to the issue raised in the rule change request:

- The Queensland arrangements in place prior to the commencement of the National Energy Customer Framework (NECF) required retailers to use their best endeavours to issue a bill to a small customer once every three months (instead of the firm obligation as outlined in the National Energy Retail Rules (NERR)).
 - Queensland consumer groups were strongly opposed to this arrangement when it was first introduced by the Queensland Government.
 - However, under the Queensland arrangements, there were different obligations on Metering Data Providers (MDP) in relation to meter reading. MDPs were required to read a meter at least once every 6 months, rather than once every 12 months (as is the case under rule 20(2) of the NERR).
 - Therefore, if AEMC is inclined to change the rules to match the previous Queensland arrangements, the requirements on retailers to ensure that a meter read has been carried out at least once every 12 months should likewise be changed.

Issues for Queensland consumers:

- Fewer bills in a year, as a consequence of allowing Ergon to wait for the meter data before issuing a bill to a small customer, could create problems in Queensland and in particularly rural and regional Queensland.
 - Bills could be larger as a result of a longer billing cycle.
 - Longer billing cycles could also result in some Queensland consumers accumulating large amounts of debt over the summer peak months, without being aware. This may put some of these consumers into hardship.
 - Consumers who are not aware of Ergon's hardship programs and do not contact Ergon to request access to a hardship program could risk being disconnected.
 - Many consumers are not aware that they can go on a hardship program, and many retailers do not tell their customers about their hardship programs because of the cost to the business. If the rule as proposed by Ergon is to be made, consideration should be given as to how retailers could be made to better communicate access to their hardship programs.
- Variations in the length of billing cycles can create confusion for small customers. Therefore, the length of billing cycles should be consistent to avoid creating confusion.
- Ergon is not the only retailer with remote customers. The AEMC should also consider the impact of this rule change on remote customers in other jurisdictions.
- The AEMC should also consider extending the rule change to consider the billing frequency obligations on retailers making market offers.
- Issue of access to meter read data for the purposes of billing is an interim issue. Advanced meters will enable remote reading. However, it will take some time for advanced meters to be rolled out across the entire small customer base.
- If there are savings to be made from a less frequent meter read cycle, these need to be passed onto consumers.

Consumer needs:

- Different types of small consumers have different needs and different levels of engagement.
 - Some small customers may self-read their meter, but some may be disengaged and unlikely to report consumption data to Ergon. However, Ergon could do more to educate these customers and find other solutions.
 - For small businesses, more frequent bills are advantageous.
 - For farmers, the issues are not as significant as they are used to managing their business and energy use. Ergon also allows some farmers to self-read and report their consumption data.
 - Many irrigators keep a close watch on their energy use, check estimates and report inaccurate estimates to Ergon. Ergon has accepted self-reported reads from irrigators in the past.
 - Retailers could ask consumers directly about their choice between estimated bills or less frequent, but accurate bills.

Issues with estimated bills:

- It is desirable to have a minimum number of estimated bills, but if an estimate is to be used as a basis of a small customer's bill there needs to be a process so that consumers know their bill is estimated and have recourse if it is not accurate.
 - There is generally a lack of understanding about estimated bills among consumers.
 - It is very easy to miss information on bills that an estimate was used to generate the bill and the information should be made much more prominent and legible.
 - There is confusion about how an estimate is generated and how any difference between the estimate and actual consumption is rectified once the meter data becomes available.
 - Retailers should provide greater transparency with respect to how they calculate the estimate.
- There should be consideration of other options to address the unavailability of actual meter data. This could include undertaking consumer education or accepting consumer reads.