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Phone no: 03 62703670  
Our Ref: NW30579197  
Your Ref: EPR0038



19 February 2013

Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Dear Sir

**Review of Electricity Customer Switching Options Paper**

Thank-you for the opportunity to provide input to the Options Paper *Review of Electricity Customer Switching*, released on 23 January 2014.

Aurora Energy Pty Ltd, ABN 85 082 464 622 (Aurora) is an incorporated, State Government owned fully integrated energy and network business, with complementary activities in telecommunications and energy-related technologies. Aurora provides electricity retail and distribution services to more than 270,000 customers in the Tasmanian jurisdiction. In this document, reference to Aurora should be taken as reference to Aurora in its capacity as the provider of distribution network services licensed by the Regulator under the *Electricity Supply Industry Act 1995* (Tas).

The attachment to this letter provides Aurora's answers to the questions posed in the Options Paper.

If you have any questions, please address them to the contact noted above.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Warren Batchelor".

Warren Batchelor  
Chief Operation Officer  
Distribution Business  
Aurora Energy

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**ATTACHMENT TO AURORA SUBMISSION TO REVIEW OF ELECTRICITY CUSTOMER SWITCHING OPTIONS PAPER**

This attachment to Aurora's submission to the Review of Electricity Customer Switching Options Paper, released on 23 January 2014 (the Options Paper) provides Aurora's answers to the questions posed by the AEMC.

In this document, reference to Aurora should be taken as reference to Aurora Energy Pty Ltd, ABN 85 082 464 622 in its capacity as the provider of distribution network services on mainland Tasmania, licensed by the Regulator under the Electricity Supply Industry Act 1995.

For ease of identification, the questions posed by the AEMC are presented in boxed text.

Question 1

**Possible options to address the timing of the customer transfer process**

The AEMC would be interested in receiving feedback on these options. Participants are encouraged to assess these options against the assessment framework, and to discuss what they see as the main costs and benefits of each option, whether they see benefits in some of these options that may be implemented jointly, or whether there are alternative options that should be considered. We are particularly interested in hearing stakeholders' views on the benefits and costs, including implementation considerations of:

- reducing the maximum prospective timeframe for customer transfers (Option A1);
- introducing estimated reads (Option A2), including whether our proposed process has addressed stakeholder concerns with the use of this read type;
- introducing incentive arrangements on metering data providers, relating to the timely and accurate provision of special reads (Option A3); and
- increasing monitoring and reporting on customer transfer timeframes (Option A4).

Aurora does not consider that Option A1 is an effective measure for reducing customer switching time-frame unless adequate incentive is provided to the appropriate party. Aurora understands that inadequate meter access is one of the main reasons for longer time-frames. Aurora does not consider that incentive be applied to retailers in this respect because they do not own the metered installation. Aurora is uncertain, however, how incentive can be placed upon the customers that own the installation. While the National Energy Retail Rules provide that customers may be de-energised for failing to provide access to meters, such action necessitates a final meter read.

Aurora considers that Option A2 is a workable approach to addressing this issue.

In relation to Option A3, Aurora notes that in Tasmania (at least) there is no margin or profit applied to the regulated charges for special meter reads. In consequence, the AEMC's proposal to reduce the costs recoverable by the distributor as part of an

incentive scheme goes beyond providing incentive and also potentially counters clause 7A(2) of the National Electricity Law. Aurora further understands from observation of incentive schemes in the NEM that incentive schemes are preferably symmetric, also providing a reward for good service. Additionally, in the event that the reason for not obtaining a read is due to either an OH&S issue (as suggested by the AEMC in section 4.4.2 of the Options Paper) or an inability to access the meters, the distributor is being penalised for the behaviour of other parties, which is inequitable.

Aurora has no comment on Option A4.

### Question 2

#### **Possible options to address the accuracy of data used in the customer transfer process**

The AEMC would be interested in receiving feedback on these options. Participants are encouraged to assess these options against the assessment framework, and to discuss what they see as the main costs and benefits of each option, whether they see benefits in some of these options that may be implemented jointly, or whether there are alternative options that should be considered.

We are particularly interested in hearing stakeholders' views on the benefits and costs, including implementation considerations of:

- a cleanse of data in MSATS in order to achieve higher accuracy levels (Option B1);
- monitoring, and reporting by AEMO and AER of the accuracy of the customer transfer process (Option B2);
- placing an obligation to display NMI number on small customer meters (Option B3); and
- placing an NERR obligation on retailers to resolve erroneous transfers in a timely manner (Option B4).

Aurora considers that Options B1, B2 and B4 all have merit in increasing and maintaining data accuracy, which should improve customer switching. Aurora notes that Option B4 will only be effective in jurisdictions that have implemented the NECF package unless non-NECF jurisdictions implement similar provisions.

Aurora does not consider that Option B3 has merit given that each meter already has a unique serial number. Adding extra information onto the meter would introduce extra costs associated with the placement and maintenance of the attached number, and also introduces an extra mode of failure into the process.

### Question 3

#### **Other policy options to improve the efficiency of the customer transfer**

**process**

The AEMC would be interested in receiving feedback on these options. Participants are encouraged to assess these options against the assessment framework, and to discuss what they see as the main costs and benefits of each option, whether they see benefits in some of these options that may be implemented jointly, or whether there are alternative options that should be considered.

We are particularly interested in hearing stakeholders' views on the benefits and costs, including implementation considerations of:

- AEMO undertaking a project to improve the objections framework (Option C1); and
- the additional incremental improvements that could be independently progressed by stakeholders.

Aurora has no comment on this issue.