IPART

Independent Pricing and Regulatory Tribunal
New South Wales

Retailers' metering practices in NSW

Draft Report
Energy

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The Independent Pricing and Regulatory Tribunal (IPART)

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Tribunal Members

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Invitation for submissions

IPART invites written comment on this document and encourages all interested parties to provide submissions addressing the matters discussed.

Submissions are due by 2 November 2018

We would prefer to receive them electronically via our online submission form <www.ipart.nsw.gov.au/Home/Consumer_Information/Lodge_a_submission>.

You can also send comments by mail to:

Retailers' metering practices in NSW
Independent Pricing and Regulatory Tribunal
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1 Executive summary

As part of our annual review of performance and competition in the NSW retail electricity and gas markets, the Independent Pricing and Regulatory Tribunal (IPART) is reviewing retailers' electricity metering practices. The Minister for Energy and Utilities asked us to conduct this review in response to reports of customers' requesting a new or replacement digital meter (also known as a 'smart' meter) experiencing delays and poor customer service (see Terms of Reference in Appendix A).

The review covers retailers' electricity metering practices for residential and small business customers in NSW, and involves:

- assessing whether these practices are delivering acceptable levels of customer service
- identifying the key problems in the meter installation process that are causing delays for customers
- deciding whether a regulatory intervention is required to improve the delays, or whether other practical steps could be taken, and
- identifying the relevant party or parties that should take responsibility for implementing our recommendations.

This Draft Report sets out our draft findings and recommendations, discusses our analysis and seeks comment from all interested stakeholders.

1.1 Retailers' metering practices are not delivering an acceptable level of customer service

We have found that retailers are not delivering an acceptable level of customer service to customers requesting a meter. In particular, customers were dissatisfied with:

- the time taken to install their meter (which, for meters requested in December 2017, took on average 60 to 72 business days to be installed, although the time taken to install meters has now reduced to 16 to 19 business days for meter requests made in June 2018)
- communication of the new arrangements for meter installation
- communication from retailers, including poor information on the expected timeframe for the meter installation, coordination of appointment time, ancillary wiring or meter board work that may be required and costs of this work, and
- ease of contacting the retailer with most customers experiencing long call wait times to speak to a customer service representative and having no online alternative.

Since January 2018, the Energy & Water Ombudsman NSW (EWON) has received an average of 170 complaints a month about metering issues, with almost 100 of these about installation delays.[1]

1 EWON submission to IPART Fact Sheet, August 2018, p 2.

We have identified a number of issues – both systemic and transitional – that have led to many of these delays and customer frustrations, which are discussed below.

1.2 Our recommendations would simplify the process for meter installations and complement the AEMC's draft rule determination to introduce metering installation timeframes

The Australian Energy Market Commission (AEMC) recently made a draft rule determination to introduce metering installation timeframes for retailers (see Box 1.1). We consider that this would be effective in reducing installation times to an acceptable level in most instances. However, there are a number of exceptions to the draft rule determination, and we have focused our analysis and recommendations on these instances.

Our recommendations would simplify the process of installing meters and complement the AEMC's draft rule change.

1.2.1 One party should be accredited and authorised to undertake all works necessary for meter installations

The new arrangements have led to a number of new roles and responsibilities being created, as well as interconnecting two related contestability schemes – the Power of Choice reforms and the Accredited Service Provider (ASP) scheme.

While Metering Providers can install meters in most straightforward cases, they are restricted, through various regulations, from carrying out required works in more complex cases. It is not always possible for the Metering Coordinator or Metering Provider to determine whether a case will be simple or complex before the site visit. Level 2 ASPs are accredited and authorised to carry out all metering-related works, but this requires additional coordination between metering technicians and ASPs or the Metering Provider sending ASPs to every job, which increases time taken to install the meter and/or cost to the detriment of the customer. Further, a full Level 2 ASP accreditation may be an excessive requirement for these kinds of metering works.

We recommend that, subject to necessary training and safety regulations, Metering Providers should be able to deploy the resources necessary to undertake all tasks associated with installing a meter, including:

- operate any service fuse carriers required to de-energise a site for a meter installation,
- conduct live isolation work, where necessary,
- install ripple control relay devices, where required, and
- provide planned interruption notices to affected customers on the spot.

Box 1.1 The AEMC's draft rule determination on metering installation timeframes

Under the AEMC's draft rule determination, retailers would be required to provide a meter installation for a new connection or a meter exchange on a date agreed with the customer. If no date can be agreed, the retailer would be subject to a maximum timeframe of six business days for a new connection, and 15 business days for a meter exchange. For meter exchanges that require a connection alteration, electricity distributors would be required to coordinate connection changes to allow retailers to meet their timeframe obligations.

The draft rule determination also includes measures to:

- place obligations on retailers to inform customers of meter installation timeframes
- impose civil penalties for non-compliance
- provide more flexible notice requirements for retailer planned interruptions of electricity supply, and
- streamline the appointment process for metering parties.

However, it would not address all instances, because a range of meter installations would be exempt from the timeframes, including those where:

- there are electrical or other safety constraints, such as the presence of asbestos, that delay the installation work
- the site has multiple occupants, and an interruption to the power supply would affect third-party customers
- a party other than the retailer or metering provider needs to complete work at the site before the meter can be installed (eg, a larger metering board is needed), and
- the site is not accessible (eg, where the customer does not grant access).

In these instances, the AEMC recommends that the retailer explain to the customer why the work cannot proceed and what the customer needs to do, before negotiating a new installation date.

The AEMC has proposed that the timeframes apply from 1 January 2019, with other measures starting earlier. It is currently seeking submissions and plans to publish its final rule determination in early December 2018.

Source: AEMC, *Metering installation timeframes, Draft rule determination*, September 2018.

1.2.2 The Department of Planning and Environment and retailers should publish more information for customers about the process for applying for a meter

With any transition process, it takes some time for stakeholders to understand the changes. However, we consider that this could be improved by the Department of Planning and Environment and retailers including more detailed information about the process for applying for a meter, and the roles and responsibilities of the new parties on their websites.

Some retailers provide metering information and online application capabilities on their websites, but many still don't. A growing number of customers undertake online research

before making a purchase[2] and we consider that having access to a complete, factual and independent source would be beneficial for customers in negotiating the installation of their meter with their retailer. While the Department of Planning and Environment includes some information on their websites, this mostly explains what digital meters are and their benefits, rather than the process for installing a digital meter and responsibilities and obligations of each party involved.

1.3 How stakeholders can provide further input into this review

As part of our review process we:

- published a Fact Sheet and sought submissions from stakeholders – we received 145 submissions
- published a survey and received feedback from customers about their meter installations experience – we received 68 responses
- requested data and information from large and small retailers operating in NSW on metering processes and performance, and
- consulted with retailers, Metering Coordinators, the Energy & Water Ombudsman of NSW (EWON), NSW Office of Fair Trading and other stakeholders to understand the issues that are causing delays and customer dissatisfaction.

We are now seeking written submissions to our Draft Report by 2 November 2018. Once we have considered submissions to the Draft Report, we will conduct further analysis as required before submitting our Final Report to the Minister for Energy and Utilities by 30 November 2018.

The indicative timetable for the remainder of the review is shown in Table 1.1 below.

Table 1.1 Indicative timetable

Date	Stage of review
29 May 2018	Released Fact Sheet
21 June 2018	Opened stakeholder survey on website
3 August 2018	Submissions and surveys closed
	Retailers' information requests due date
2 October 2018	**Release Draft Report**
2 November 2018	Submissions close on Draft Report
By 30 November 2018	**Submit Final Report to the Minister**

1.4 Structure of this report

The remainder of this report discusses the key issues we have identified and our recommendations.

- Chapter 2 discusses our draft findings about the number of digital meter requests since December 2017 and average installation times

2 https://www.forbes.com/sites/johnellett/2018/02/08/new-research-shows-growing-impact-of-online-research-on-in-store-purchases/#5c27e8e816a0, accessed 20 September 2018.

- Chapter 3 discusses our draft findings and recommendation to address the restrictions on Metering Providers undertaking metering-related tasks
- Chapter 4 discusses our draft findings on problems with coordination between metering parties
- Chapter 5 discusses our draft findings and recommendation to improve communication and information sharing between retailers, customers, ASPs and builders.
- Appendices A to D set out the:
  - Terms of Reference
  - context for this review, including recent changes to the metering frameworks, relevant legislation and regulations, roles and responsibilities of various metering parties and key provisions
  - summary of submissions received on our Fact Sheet, and
  - results from our stakeholder survey.

1.5 List of draft findings

1.6 List of draft recommendations

1 That a Level 2 ASP accreditation may be an excessive requirement for certain metering works and, subject to safety regulations, a lower level of accreditation should be available, so that Meter Providers can deploy the resources necessary to undertake all tasks associated with installing a meter, including: 18

- operate any service fuse carriers required to de-energise a site for a meter installation 18
- conduct live isolation work, where necessary 18
- install ripple control relay devices, where required, and 18
- provide planned interruption notices to affected customers on the spot. 18

2 That retailers and the Department of Planning and Environment should include more detailed information about the process for applying for a meter, and the roles and responsibilities of the new parties on their websites. 28

2 Retailers' metering practices did not deliver an acceptable level of customer service

As part of our review, we issued information requests to retailers to understand:

- how customers can request a meter and what information they are provided (about timeframes, costs, meter functionality)
- the timeframe targets that retailers impose on themselves to install meters, and resolve any complaints, and
- how long it is actually taking customers to receive meters (and whether it has improved since the new obligations commenced), and problems that are causing longer installation timeframes.[3]

This chapter discusses the information we sought from retailers, our analysis of that information and key findings in regard to metering performance and timeframes.

2.1 Overview of our draft findings

We have found that while the average time taken for new or replacement meters has decreased since the new arrangements took effect, retailers are still exceeding the AEMC's proposed draft timeframes of six business days for a new connection or 15 business days for a simple meter exchange.

EWON has received around 170 customer complaints a month and customers are dissatisfied with timeframes and communication from retailers.

IPART draft finding

1 The average installation time for new or replacement meters has reduced from 60 to 72 days in December 2017, to 16 to 19 days in June 2018. This is considerably longer than the maximum timeframe of six business days for a new connection, or 15 business days for a simple meter exchange proposed in the AEMC's draft rule determination.

2.2 We sought a range of information from retailers, but responses were inconsistent and incomplete

There is a large difference in the retail market shares of the electricity businesses in NSW, with the 'big 3' retailers – AGL, Origin and Energy Australia – plus Red Energy, accounting for around 88% of meter requests. As such, we requested detailed information from these 'large' retailers on:

- **Number of meter requests**, by month, by region, and reason for meter request.
- **Number of meter installations**, by month, and reason for meter request.

3 These were made under section 234B of the National Energy Retail Law (NSW).

- **Outstanding requests** by region, reason for meter request, by month requested.
- **Average times** taken to install meters by region, and reason for meter request, by month requested.
- **Number of complaints** by issue.

To minimise the regulatory burden on 'small' retailers, we requested only information about:

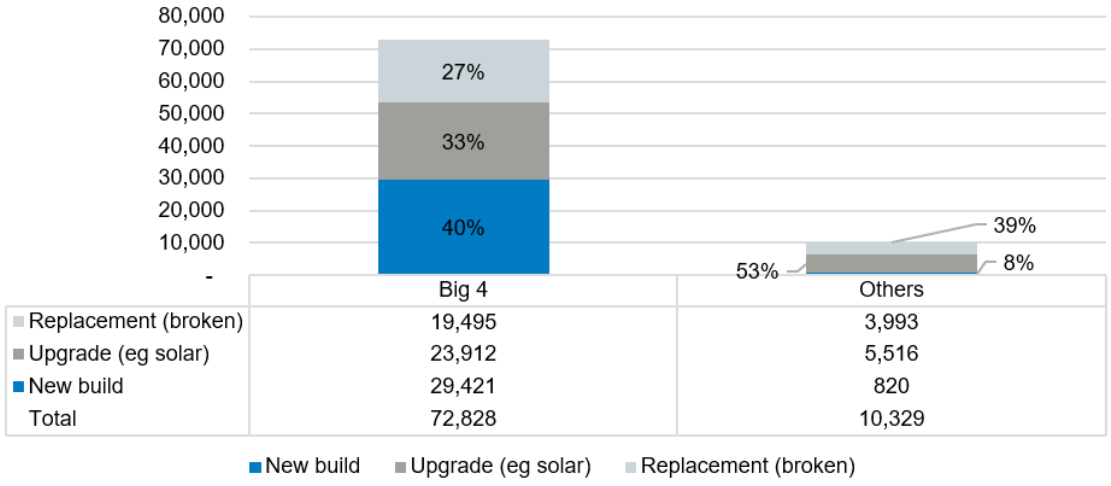
- **Number of meter requests**, by month and reason for meter request.
- **Number of meter installations**, by month and reason for meter request.
- **Average times** taken to install meters by month and reason for meter request.
- **Number of complaints**.

We note that data was provided inconsistently and in varying formats, and some retailers had records for only some of the data we requested. This limits comparing outcomes, however, we consider it is important to report on meter requests and average time taken to install meters. We note that from 1 January 2019 retailers will be required to report metering information including complaint data to the Australian Energy Regulator (AER).

2.2.1 More than 80,000 digital meters were requested since December 2017 with 65% installed by June 2018

More than 80,000 requests for digital meters have been made since December 2017.[4] As Figure 2.1 indicates, 40% of requests for digital meters are for new builds, 33% for meter upgrades associated with solar panels and the remaining 27% are replacing faulty meters.

Figure 2.1 Digital meter requests by reason (number, %) – December 2017 to June 2018



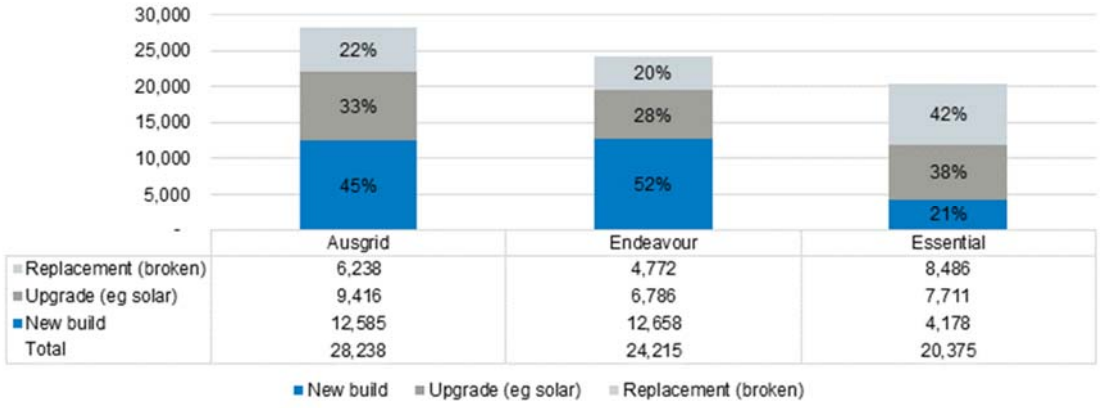
Note: Big 4 represents AGL, Energy Australia, Origin Energy and Red Energy

Data source: Information provided by retailers – IPART's analysis.

4 Due to inconsistencies in retailer reporting, the number of requests has been estimated from a combination of requests and service orders raised. Some requests may require multiple service orders to be created if the installation cannot be completed on the first site visit. Our estimate makes an adjustment for multiple requests based on known request-service order proportions provided by some retailers.

More than two thirds of meters requested were in the Ausgrid and Endeavour networks, which cover the greater Sydney, Newcastle and Wollongong areas. Requests for digital meters for the Essential network (which covers the majority of regional NSW) were mainly for solar panel installations and replacing faulty meters (Figure 2.2).

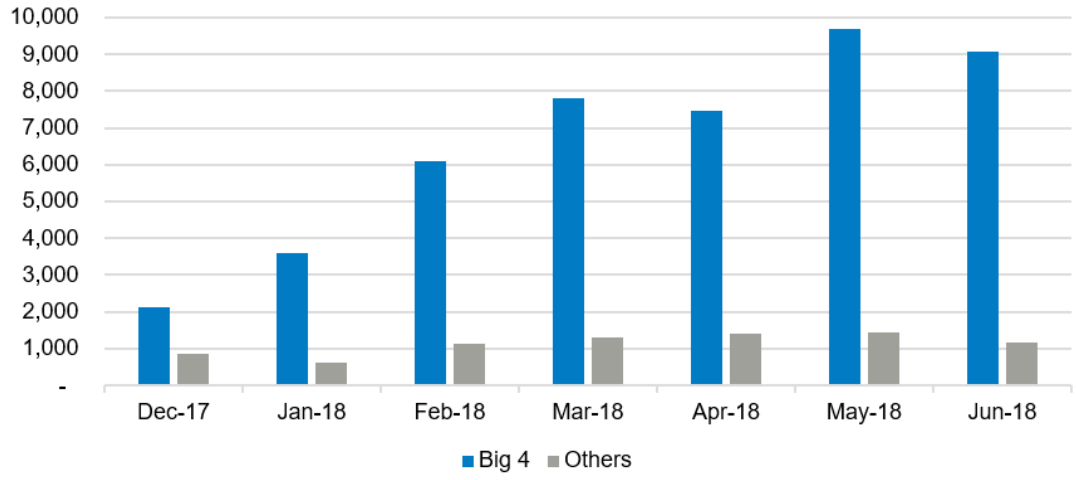
Figure 2.2 Digital meter requests by distribution area (number, %) - December 2017 to June 2018



Note: Four largest retailers only.
Data source: Information provided by retailers – IPART's analysis.

Over 53,000 or 65% of digital meters requested were installed in the seven months from December 2017 to June 2018 (Figure 2.3).

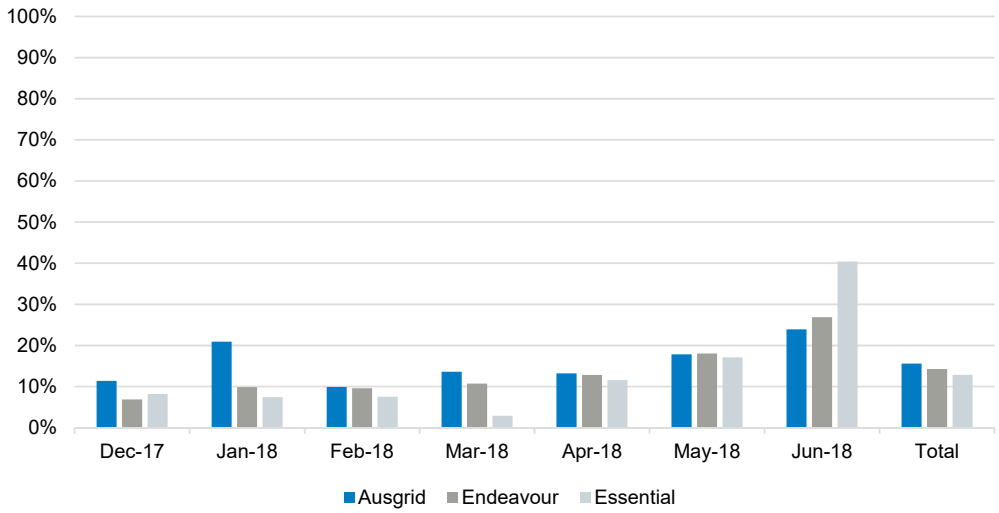
Figure 2.3 Digital meters installed each month (number)



Note: 'Big 4' represents AGL, Energy Australia, Origin Energy and Red Energy.
Data source: Information provided by retailers – IPART's analysis.

An average of 14% of requests are still outstanding (Figure 2.4). The remainder were cancelled or constitute repeat service orders.[5]

Figure 2.4 Percentage of meter requests outstanding by distribution area (%)



Note: 'Big 4' represents AGL, Energy Australia, Origin Energy and Red Energy.
Data source: Information provided by retailers – IPART's analysis.

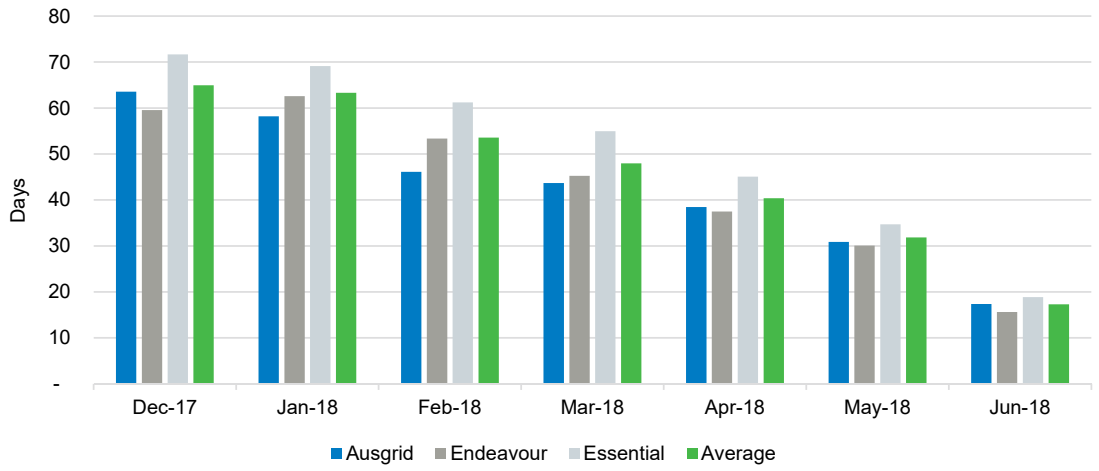
2.2.2 Average installation times were considerably longer than acceptable, but are improving

We have found that initially retailers were not delivering an acceptable level of customer service to customers requesting a meter. In particular, for digital meters requested in December 2017, it took between 60 to 72 business days to be installed. For digital meters requested in December 2017 in the Essential Energy network (majority of regional NSW) the average time taken to install was 72 business days.

However, as Figure 2.5 indicates, over the six months to June 2018 the time between requesting a digital meter and it being installed reduced. For digital meters requested in June 2018, the average time taken to install was between 16 and 19 business days.

5 Due to inconsistencies in retailer reporting, the number of requests has been estimated from a combination of requests and service orders raised. Some requests may require multiple service orders to be created if the installation cannot be completed on the first site visit. In addition, retailers have told us that where they determine that the customer needs to organise rectification work on the meter board or wiring before the installation can go ahead, they may cancel their request.

Figure 2.5 Average business days to install digital meters by distribution area (number)



Data source: Information provided by retailers – IPART's analysis.

2.2.3 Number of complaints to EWON have increased

While retailers provided limited information on complaints associated with meter requests and installations, most retailers' systems did not capture details about the reason for metering-related complaints. However, EWON was able to provide data on number of complaints.

EWON is receiving almost 100 complaints a month in relation to meter installation delays (Table 2.1). Around a third of these complaints about delays relate to new connections (ie, connections for new buildings) (although these make up around two-thirds of smart meter requests).

Table 2.1 EWON digital meter complaints 2018

	All DM Complaints	Installation Delay Complaints		New Connection Delay Complaints	
	No of complaints	No of complaints	% of total complaints	No of complaints	% of total complaints
January	79	29	36.7%	11	13.9%[a]
February	120	58	48.3%	16	13.3%[a]
March	187	116	62.0%	18	9.6%
April	191	123	64.4%	32	16.8%
May	229	130	56.8%	47	20.5%
June	213	115	54.0%	55	25.8%

a Recalculated by IPART.

Source: EWON submission to IPART Fact Sheet, August 2018, p 2, and IPART analysis.

2.2.4 IPART customer on-line survey

We conducted an online survey of electricity customers who have recently requested a digital meter installation or upgrade. The survey was posted on the IPART website in June 2018 and was completed on an opt-in basis. We received 68 responses to our website survey. We have used these findings to inform our draft recommendations and findings.

Survey results indicated that initial information provided and expectations set by the retailer were poor. A majority of respondents were also unhappy with the time taken to install (88% rated time taken as poor or fair), with the timeframe initially quoted being too long, as well as the actual time taken exceeding expectations. For further information refer to Appendix D.

3 Remove restrictions on Metering Coordinators and Providers undertaking metering-related tasks

Under the new meter installation framework, responsibility for meter installations in NSW was transferred from the electricity distributors to the retailers. To implement this framework, several new roles were created – including Metering Coordinators (which have overall responsibility for metering services at a customer's connection point) and Metering Providers (which employ or contract metering technicians to do the installation work).

However, Metering Coordinators and Metering Providers are not permitted to undertake all metering-related roles, and these restrictions have led to delays for customers in certain circumstances. In particular, they are not permitted to:

- De-energise and re-energise fuses that form part of the distributor's service equipment located at or near the connection point for the customer's premises, and which are used by the distributor to supply electricity from its network (service protection devices).
- Work on energised electrical equipment, which may be unavoidable in certain circumstances, such as on sites with no operable fuses or where the fuse is unsafe to operate.
- Install 'ripple' control relay devices on the customer's metering panel to control off-peak load circuits in Essential Energy's distribution region.
- Notify other retailers' customers of planned interruptions.

This chapter discusses our analysis of these issues and recommendations to address them.

3.1 Overview of our draft findings and recommendations

The restrictions on metering providers' abilities to carry out all necessary works to install a meter constitute the biggest cause of delays for meter installations, because they result in multiple site visits and coordination between multiple parties. This process is inefficient and detrimental to customer satisfaction.

These restrictions would not be addressed by the AEMC's draft rule change, because they are likely to constitute exceptions to the timeframes as 'electrical or other safety constraints', and where an interruption of power supply would affect third party customers.[6] This would leave the customer in a position where their retailer is not required to install a meter within a mandated timeframe, but the customer has little or no control over the circumstances causing the delay.

We consider that having one party, who is accredited and authorised to carry out all works necessary for meter installations (except in very limited circumstances), would be more efficient, and would reduce the time taken for customers and potentially the overall cost of the process for retailers. Currently, Level 2 ASPs are qualified and authorised to carry out

6 AEMC, *Metering installation timeframes, Draft rule determination*, September 2018, p 36.

these tasks. However, this level of accreditation may exceed the minimum requirements to undertake metering works, increasing the costs unnecessarily for retailers and customers.

We are making a draft recommendation that, subject to necessary training and safety regulations, Metering Providers should be able to deploy resources to:

- operate any service fuse carriers required to de-energise a site for a meter installation,
- conduct live isolation work, where necessary,
- install ripple control relay devices, where required, and
- provide planned interruption notices to affected customers on the spot.

IPART draft findings

2 The Workplace Health and Safety Regulation 2017 and Code for safe installation of direct-connected whole current electricity metering in NSW restrict non-ASP metering technicians from performing all metering-related work required to install a customer's meter, which is inefficient and causes delays.

3 The Planned Interruption Notification (PIN) requirements under the National Energy Retailer Rules that require retailers to give at least four business days' written notice are inflexible and cause unnecessary delays for customer-initiated meter installations, particularly for multi-occupancy and shared fuse dwellings.

Draft recommendation

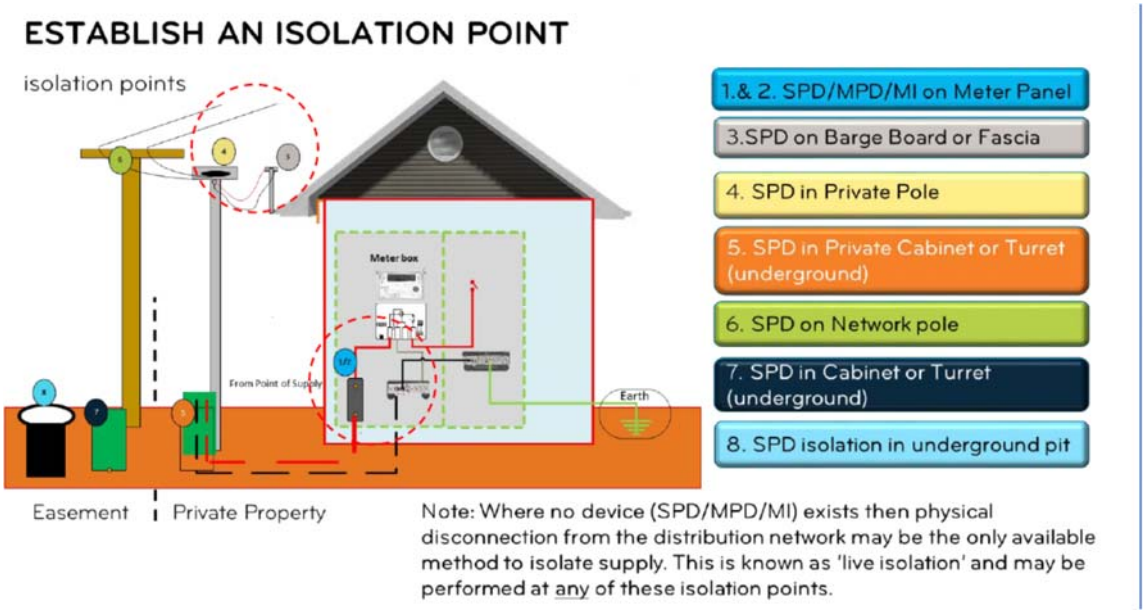
1 That a Level 2 ASP accreditation may be an excessive requirement for certain metering works and, subject to safety regulations, a lower level of accreditation should be available, so that Meter Providers can deploy the resources necessary to undertake all tasks associated with installing a meter, including:

- operate any service fuse carriers required to de-energise a site for a meter installation
- conduct live isolation work, where necessary
- install ripple control relay devices, where required, and
- provide planned interruption notices to affected customers on the spot.

3.2 De-energising and re-energising service protection devices

To install a meter, the electricity supply to the meter must be isolated by removing the fuse at the isolation point. Isolation points vary at each premises. In some cases, they are service protection devices (SPDs) and are located on a barge board or fascia, private cabinet or turret, distribution pole, cabinet or turret or underground pit. In others they are metering protection devices (MPDs) and are located on the meter panel. Figure 3.1 shows where an isolation point may be located at a premises.

Figure 3.1 The range of different isolation points



Data source: Vector.

Under Clause 18(c) of the Code for safe installation of direct-connected whole current electricity metering in NSW (Code for safe installation)[7], only metering technicians accredited under the NSW Government's ASP scheme (Accredited Service Providers (ASPs)) are able to remove SPDs that require "specialist equipment, training, authorisation and qualifications where the installer does not meet the necessary requirements (eg, barge board fuses)".[8]

Stakeholders have told us that requiring them to use ASPs to complete this task increases costs and is a significant contributor to metering delays.[9] In addition, this is not usually known until a Meter Provider first visits the site, which causes additional costs and inefficiencies for retailers and metering parties.[10]

In addition, we understand that metering technicians in other jurisdictions, such as Queensland and South Australia, can operate a broader range of fuses.[11]

We agree that this issue has been a considerable cause of metering delays in NSW and that the restrictions on non-ASP metering technicians under the Code for safe installation may be unnecessarily restricting trade to the detriment of customers.

We consider that, subject to training and observation of relevant safety regulations, Metering Providers should be permitted to operate any fuse required to de-energise a site to install a meter. This would require a change to the Code for safe installation.

7 Established under the *Electricity Supply Act 1995* (ES Act), which expires on 31 May 2019.
8 Code for safe installation of direct-connected whole current electricity metering in NSW, July 2016, clause 18(c).
9 Australian Energy Council submission to IPART Fact Sheet, July 2018, p 5; Energy Australia submission to IPART Fact Sheet, August 2018, p 2.
10 Energy Australia submission to IPART Fact Sheet, August 2018, p 2.
11 IPART discussions with retailers and Metering Coordinators.

3.3 Working on energised electrical equipment

In certain, limited circumstances, such as on sites with no operable fuses or where the fuse is unsafe to operate, it is necessary to install a meter under a live isolation procedure. However, work on energised electricity equipment (or 'live work') is generally prohibited in NSW under the *Workplace Health and Safety Regulation 2017 (NSW)* (WHS Regulation). In very limited circumstances, and provided that safety conditions are met, ASPs (or other persons appointed by the electricity supply authority) are permitted to undertake this work.[12] In addition, the Code for safe installation prohibits Metering Providers from undertaking live work.[13]

We have also found this restriction to be a cause of metering delays in NSW and consider that the requirements of the WHS Regulation and Code for safe installation may be unnecessarily restricting trade to the detriment of customers.

We are making a draft recommendation that subject to training and observation of relevant safety regulations, Metering Providers should be permitted to conduct live isolations in necessary circumstances for the purpose of installing a meter.

This would involve a change to the WHS Regulation, and the Code for safe installation that restrict non-ASP metering technicians from conducting live work.

3.4 Installing ripple control relay devices in the Essential Energy distribution region

The Ausgrid and Endeavour distribution network areas allow off-peak controlled load circuits to be controlled via the in-built functionality of a digital meter. However, Essential Energy requires direct control of these circuits via a ripple control relay installed on the customer's metering panel. Currently, only ASPs are permitted to install this device as it forms part of a distributor's service equipment.[14]

From stakeholder consultations, we consider that it would be reasonable for retailers to have these devices installed by non-ASP technicians. While the devices are technically distributor assets, they:

- do not require specialist equipment for installation, only knowledge of the required programming and wiring requirements
- are located on the customer's meter board, which falls within the customer's electrical installation and not part of the network's service equipment, and
- do not pose a risk to network assets.[15]

We are making a draft recommendation that subject to training and observation of relevant safety regulations, Metering Providers should be able to install the ripple control relay devices if appropriate.

12 WHS Regulation, clause 152
13 Code for safe installation of direct-connected whole current electricity metering in NSW, July 2016, clause 18(a).
14 Discussions with Essential Energy and IPART, September 2018.
15 ibid.

3.5 Notifying other retailers' customers of planned interruptions

Under the National Energy Retail Rules (NERR)[16], the retailer must notify affected customers of a planned interruption to supply at least four business days before the date of the interruption. This causes delays where:

- the Metering Provider encounters a problem on the first site visit and so must organise a second visit (with another four days' notice) with the customer to return to complete the work, and
- the customer is on a shared fuse, which affects supply for other customers, and so must organise a distributor-planned interruption.

Notifying customers of a supply interruption is an important consumer protection under the National Energy Retail Rules, particularly for life support customers. However, the lack of flexibility around the four-day rule has caused delays for some customers (including life support customers).

3.5.1 The AEMC's draft rule determination would resolve this issue for single customers

In its draft rule determination on metering installation timeframes, the AEMC included an amendment to provide retailers with the flexibility to conduct planned interruptions at shorter notice, as long as the customer consents. The AEMC expressed the view that these changes should commence at the earliest possible convenience, noting that the amendments would provide customers with greater flexibility and control over the timing of planned interruptions, and may reduce instances of meter installation delays.[17]

Where only one customer is involved, we consider this issue would be addressed by the AEMC's draft rule determination, as this would allow customers and retailers to agree a date for the second visit, even if it falls within the minimum four-day notification period (including for life support customers).

However, it would not address the issue where the customer is on a shared fuse, as the draft rule does not apply to installations on sites with multiple occupants.

3.5.2 Greater industry coordination and earlier identification is required for multi-occupancy and shared fuse premises

Previously, distributors could notify all customers on a shared fuse of a pending outage. However, retailers cannot do this when some of these are the customers of another retailer. This is of particular concern for life support customers, for whom a planned interruption to supply requires organising alternative arrangements.

Under the AEMC's draft rule determination, for more complex meter exchanges that also require a connection alteration, the draft rule specifies that the distributor must coordinate the connection alteration with the retailer in order to allow the retailer to meet its timeframe

16 National Energy Retail Rules, version 13, July 2018, clauses 59(c)(2) and 59(c)(4).
17 AEMC, p viii.

obligations.[18] This requirement is necessary because the retailer does not have any direct control over the timing of the distributor's connection service work for the site. During complex meter exchanges, the retailer and the distributor must closely coordinate in order to provide the meter installation within a short timeframe and ensure the continuity of electricity supply to the consumer.

The AEMC and other stakeholders have advised us that industry participants, including retailers and metering parties, are currently looking at a number of options to address this problem, including a potential rule change proposal.[19] However, we note that there is no formal incentive for retailers and distributors to come up with a solution, as this issue is an exception to the AEMC's draft rule determination.

We consider that notification restrictions could be simplified by allowing the metering technician to perform this role, as it forms part of the necessary work required to install a meter. That is, the metering technician could leave written notices advising of the interruption to affected customers at the relevant addresses, and the Metering Provider advise the distributor through the B2B e-hub communication system. This would reduce some of the coordination inefficiency in requesting the distributor to undertake this role.

In addition, to provide incentives to parties to coordinate efficiently on this issue, the AEMC could consider including a binding timeframe in its rule change proposal for multi-occupancy situations, which may be slightly longer than the 15 days for simple meter exchanges.

We also consider that this process could be improved with earlier identification of the issue. Currently, there are no incentives for distributors or retailers to record or share information about shared fuses or other service fuse conditions that require specialist equipment, training, authorisation and qualifications for removal. This may cause multiple visits to install or repair a meter and increase the future costs of switching retailer for customers.

One option could be for Metering Providers to be required to report information about shared fuses and other service fuse conditions that require specialist equipment, training, authorisation and qualifications for removal, following each job to be recorded on the B2B e-hub system. Retailers could then check whether there are any unique fuse requirements at the premises before creating a service order for the job. However, the benefits of this option may not exceed the additional regulatory burden it imposes on metering parties. While we are not making a draft recommendation at this stage, we are interested in hearing stakeholders' views on this.

18 AEMC, p 37.
19 Discussions with the AEMC and retailers.

4 Improve coordination between metering parties

Previously, electricity distributors were responsible for installing meters. This involved organising a national metering identifier (NMI), issuing planned interruption notices to affected customers, switching power off and on at the premises, issuing a meter and permission to an ASP to install the meter. The ASP could isolate supply, install the meter and was qualified to conduct most ancillary connection work if required.

The new arrangements have created a number of new roles and responsibilities, and the process for installing a meter now requires greater coordination between these parties. We identified several instances where the need for coordination between the metering parties contributes to delays in meter installations.

This chapter discusses our analysis and draft findings on coordination between metering parties.

4.1 Overview of our draft findings

We have identified a number of problems where poor coordination between metering parties is causing delays, including:

- metering technicians are not qualified or authorised to undertake necessary wiring or meter board rectifications, which may require coordination with an ASP or liaison between retailer and customer to resolve the problem
- in some cases the meter board is locked or access is otherwise restricted
- each Metering Coordinator has its own training requirements ASPs and technicians must complete before they are allocated metering work, and
- repetitive and inefficient reporting requirements.

Our draft recommendation 1 (see Chapter 3) would simplify the process of installing meters and reduce the need for some of the existing coordination issues. We also consider that the AEMC's draft rule change would provide an incentive for retailers to improve the coordination between parties to meet the timeframes in most instances. We have noted that there are a number of actions that retailers and other metering parties could take to improve coordination, and some that retailers have told us they are already doing. However, we have not made any specific recommendations as we consider that the benefits of further regulatory intervention may not exceed the costs at this time.

IPART draft findings

4 That retailers, Metering Coordinators and Metering Providers have not coordinated well with each other and customers to organise access, identify meter board issues and follow up issues with customers.

5 That completing each Metering Coordinator's training requirements is repetitive and may be uneconomic in some circumstances.

6 That there are opportunities to streamline communication through the B2B system.

4.2 Retailers should identify and communicate wiring or meter board problems to customers earlier

In some cases, when a metering technician attends a site to install a meter, they may find problems with the wiring or meter board that need to be rectified before the meter can be installed. Some of the problems that retailers and customers have told us about include:

- there is not enough room on the meter board to install the new meter[20]
- there is an existing electrical defect that requires rectification before work can proceed safely[21], and
- the meter board is unsafe, eg, contains asbestos.[22]

Metering technicians may not be able to complete this work on their first site visit for a few reasons, including that:

- the work may be outside the scope of their service order, so they would not get paid for completing the required work[23],
- they may not be qualified to complete the work, or
- the work required may be extensive, and so would require the customer's acceptance of a quote before proceeding. The customer may also wish to contract their own ASP to complete the work.

In these instances, the Metering Coordinator would ask the retailer to ask the customer to have the work completed before resending a technician to complete the metering installation, or send the customer a quote and get their acceptance before rescheduling the work and arranging for an ASP to undertake it.

The AEMC's draft rule determination would not address these issues, because instances where there are electrical or other safety constraints that prevent work from proceeding, or where modifications to the metering board are required, are exceptions to the rule. However, because these issues are largely the responsibility of the customer to resolve, we consider that placing additional regulatory obligations on the retailer or Metering Coordinator would not improve delays.

However, we consider there are measures that retailers could undertake to improve customer expectations, understanding of the process and satisfaction in these circumstances. For example, the retailer should:

- incorporate standard questions in the application process to determine the condition of the meter board from the customer prior to the site visit
- notify the Metering Coordinator that an ASP would likely be required to complete the work where the retailer has determined that it is necessary or likely, and

20 Energy Australia submission to IPART Fact Sheet, August 2018, p 3; EWON submission to IPART Fact Sheet, August 2018, p 3.
21 Ibid; NECA submission to IPART Fact Sheet, August 2018, p 7.
22 Ibid.
23 NECA submission to IPART Fact Sheet, August 2018, p 7.

- explain to the customer upfront about what their obligations are to prepare the meter board for the meter installation.

Retailers have told us about some of the actions they are already taking to address this issue, including:

- asking the customer to send photos of their meter board
- organising a preliminary site visit to determine the extent of any problems with the meter board or wiring, and
- including an allowance for the cost of any minor ancillary work up to a set value in the service order.[24]

4.3 Retailers should ask customers upfront whether a meter board is locked and organise access directly with the customer

In some cases, meter boards are secured by a 'utility lock'. Retailers have told us that while distributors hold a master key to these locks, they do not allow retailers or Metering Coordinators to use these.[25] Retailers have had to request the key from the customer or organise for the customer to be home for the site visit. If the customer does not have the key (eg, if they have recently moved into the property and not been provided the key from the previous occupants), it has caused delay and inconvenience for both customers and metering parties.

We understand that master keys held by the distributor can be used to open all utility locks, including those for other retailers' customers, with which the Metering Coordinator has no contractual arrangement. In addition, they would allow access to other utility services, such as water meters. Distributors have also told us that they will not unlock or remove locks that the customer may have purchased from the distributor, because they are the property of the customer. In addition, the costs they incur to attend an appointment to unlock a locked meter board far exceed the cost of simply removing and replacing the lock by agreement with the customer.[26]

On balance, we consider that it is reasonable for distributors to restrict access to their master keys, as they have a contractual obligation to keep their customers' utility boards secure. We consider that this issue could be addressed by:

- the retailer including standard questions in its application process to establish whether the meter board is locked and, if so, that the customer has the key and can be available to provide access at the time of the site visit, or
- obtaining permission from the customer for the Metering Provider to remove the lock, if necessary.

24 Retailers' information returns to IPART.
25 Energy Australia submission to IPART Fact Sheet, August 2018, p 3; AEC submission to IPART Fact Sheet, July 2018, p 2.
26 Discussions with Essential Energy and IPART Secretariat, September 2018.

4.4 Metering Coordinators should streamline and coordinate training requirements for metering technicians

Under schedule 7.4 of the NER, AEMO is responsible for accrediting and registering Metering Providers and determining their eligibility under a qualification process established by AEMO.[27] Metering Coordinators have no role in that process. As long as a Metering Provider is accredited by AEMO in respect of one or more types of meters, then the Metering Coordinator is free to engage the Metering Provider to install, maintain and replace those meters.

However, submitters advised us that each Metering Coordinator has its own training and accreditation process that is unique for installing its own specific type of meter.[28] Many submitters told us that completing the training for multiple Metering Coordinators, in order to have good coverage of the network, is expensive, time-consuming and repetitive.[29] It can also contribute to delays resulting from a shortages of ASPs in regional areas, where courses are run infrequently or providers have to travel to metropolitan locations at their own expense.[30]

We understand that Metering Coordinators are ultimately responsible for the metering work that Metering Providers carry out and, as such, want to maintain control over the training for their technicians. We consider that this is a matter of contractual negotiation between the Metering Coordinator and Metering Provider under the terms of the Metering Provider's appointment by the Metering Coordinator.

However, we consider that there is an opportunity for Metering Coordinators to identify and recognise common elements of their training, with a view to reducing the repetitive burden on technicians and improve efficiency.

We consider that the AEMC's draft rule determination to set mandatory timeframes for meter installations would provide an incentive for Metering Coordinators to streamline training requirements, to expand their workforce, particularly in regional areas. As such, we are not making any draft recommendations about this issue.

4.5 Other reporting requirements could be streamlined

AEMO's B2B e-hub facilitates communication between metering parties, including AEMO, distributors, retailers, Metering Coordinators, Metering Providers and Metering Data Providers. The B2B framework provides an agreed set of communications to facilitate the provision of metering services for small customers. ASPs are not participants in the B2B e-hub.

Under current communication procedures, the roles of Metering Coordinator, Metering Provider and Metering Data Provider are appointed sequentially and the B2B e-hub contains

27 NER, Schedule 7.
28 See Appendix C.
29 NECA submission to IPART Fact Sheet, August 2018, p 6. Housing Industry Association (HIA) submission to IPART Fact Sheet, August 2018, p 5, and others listed in Appendix C.
30 HIA, p 5.

mandatory objection periods of one day whenever a change request is initiated, which can cause unnecessary delays.[31]

We note that in its draft rule determination, the AEMC recommended that AEMO streamlines the appointment process in the B2B system for metering parties in certain circumstances, and that the AEMO objection period should be reduced to zero days in cases where an existing accumulation meter needs to be replaced with an advanced meter.[32] We consider that this would be likely to address any unnecessary delays.

31 AEC submission to IPART Fact Sheet, August 2018, p 2.
32 AEMC, *Metering installation timeframes, Draft rule determination*, September 2018, p 42.

5 Poor communication of the metering process

A majority of submissions that we received were concerned with poor communication from retailers, industry bodies and Government about the new metering process. In particular, there appears to be a lot of confusion among customers, ASPs and builders as they transition to the new arrangements.

This chapter discusses our analysis and draft recommendation for improving communication about the new arrangements.

5.1 Overview of our draft findings and recommendation

We have found that many customers and stakeholders are confused and dissatisfied with the communication they have received from retailers. We consider that the AEMC's draft rule determination on metering installation timeframes should provide incentives to retailers to implement better communications protocols, and decreasing timeframes for installations should reduce repeat customer call backs. However, we consider that retailers can do more to make the process smoother for customers and we have discussed some of the strategies that some retailers are already implementing in the sections below.

We consider that customers could benefit from having a comprehensive explanation of the roles and responsibilities of metering parties, and process for applying for a meter through an independent source. We are making a draft recommendation that both retailers and the Department of Planning and Environment include more detailed information about the process for applying for a meter, and the roles and responsibilities of the new parties on its website.

IPART draft findings

7 There is still a lot of misinformation among stakeholders about the process for obtaining a new or replacement meter, including the roles, responsibilities and obligations of each party, which is causing confusion and delay.

8 That retailers' customer service systems and processes for metering customers, including online information and application capabilities, customer service resources and training, and information and complaint recording, are not well developed.

Draft recommendation

2 That retailers and the Department of Planning and Environment should include more detailed information about the process for applying for a meter, and the roles and responsibilities of the new parties on their websites.

5.2 Many customers are confused about the metering process

We have had a number of submissions from ASPs, PIAC and customers who indicate they have received incorrect information about the process for installing a meter. For example, some of the most common complaints are:

- Customers (particularly those building new homes) have engaged ASPs/electricians to do connections work and have then discovered that they cannot install the meter as installation must be organised through a separate process with the retailer.
- Customers have received incorrect, incomplete or no information from retailers about their obligations for preparing the meter board, and what costs they may incur.
- Customers receiving incorrect information about the functionality of their meter.
- ASPs have quoted customers to install a meter and then discovered that they are no longer accredited to install the meter.
- ASPs have lost customers suddenly, because they are no longer able to provide a meter, and the retailer is not charging for a meter.[33]

In addition, we have heard that ASPs have been engaged by the customer to remove a digital meter from a connection point and have not communicated this to the retailer or Metering Coordinator. The Metering Coordinator has no knowledge that the meter has been removed until they experience a loss of communication with the meter and expend resources to investigate what has happened.[34]

With any transition process, it takes some time for stakeholders to understand the changes. However, we consider this confusion could be reduced through:

- retailers providing information to the customer about:
  - the meter application process, on their websites
  - metering timeframes and expected costs, and
  - customers' obligations in relation to the meter board, wiring and providing access, and
- the Department of Planning including more detailed information about the process for applying for a meter, and the roles and responsibilities of the new parties on its website.

A growing number of customers undertake online research before making a purchase[35] and we consider that having access to a complete, factual and independent source would be beneficial for customers in negotiating the installation of their meter with their retailer. We note that some retailers already provide information on their websites, and some are working towards developing online application capabilities, but others have been slower to provide this facility. We also note that while the Department of Planning and Environment has a webpage with information about digital meters, it is geared towards explaining what they are and the benefits, and referring stakeholders to their retailer for further information. However, we consider that customers would benefit from more information about the process for

33 See Appendices C and D.
34 Discussions between the AEMC and IPART Secretariat, September 2018.
35 https://www.forbes.com/sites/johnellett/2018/02/08/new-research-shows-growing-impact-of-online-research-on-in-store-purchases/#5c27e8e816a0, accessed 20 September 2018.

application, responsibilities and expectations of each party involved, including their own obligations regarding providing access and potential meter board or wiring augmentations.

To address delays and ensure customers are able to benefit from the timely roll-out of digital meters, PIAC suggested that a 'metering provider of last resort' scheme be introduced to ensure equitable access to digital metering services for all NSW customers.[36] We consider that the AEMC's draft rule determination, combined with the current 'retailer of last resort scheme' should address these delays and provide equitable and efficient outcomes for customers in a majority of cases.

5.3 Stakeholders have had particular difficulty contacting retailers

We received a number of submissions and survey responses from stakeholders (including ASPs, builders and individual customers) who have had difficulty contacting the retailer to apply for a meter, get updates about their installation or reschedule appointments. For example:

- Previously, builders/electricians could apply for a NMI and meter for a new building site in advance. Now, the service order is generated after receiving the NMI, so we have been told of instances where technicians have turned up to building sites that are not built and do not have power supply on.
- Previously, distributors had dedicated teams/phone numbers for ASPs/builders to call to expedite their inquiries. Now, most have to go through the retailers' general inquiries number and queue.
- Customers and ASPs have complained of lengthy phone times to speak to a customer service representative, because retailers do not have dedicated metering lines, and/or do not provide an online option.[37]

We consider that the AEMC's draft rule determination on metering installation timeframes would provide an incentive to retailers to manage the installation process more efficiently, collect accurate information from customers upfront and make conduct necessary checks to determine whether a site is ready for installation before proceeding with the installation. In turn, this should help reduce the volume of repeat customer calls to retailers.

While we don't see a need for further regulatory intervention, we consider that some simple actions by retailers and Metering Coordinators could assist in alleviating these problems, including:

- Metering Coordinators should call or send a text message to customers to confirm appointments and check if a site is ready to have the meter installed, before scheduling the visit
- retailers could set up a dedicated phone line and/or team to deal with metering issues, including a dedicated trades line for builders and ASPs, and
- retailers could offer an online application portal and/or other online information and inquiry capabilities.

36 PIAC submission to IPART Fact Sheet, August 2018, p 4.
37 See Appendix C.

We note that some retailers already offer online application services and have detailed information available on their website, but some still rely solely on customers calling the call centre.[38]

38 Retailer information returns to IPART.

Appendices

A Terms of Reference

Don Harwin MLC
Minister for Resources, Minister for Energy and Utilities,
Minister for the Arts, Vice-President of the Executive Council

Our ref: V18/1181

Dr Peter Boxall AO
Chair
Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

Dear Dr Boxall

I am writing regarding the Independent Pricing and Regulatory Tribunal's (IPART) 2018 Retail Energy Market Monitor review.

I was pleased to see in your December 2017 *Review of the performance and competitiveness of the retail electricity market in NSW* that competition for residential and small business electricity customers continues to improve. Ensuring energy affordability and customer choice is a key commitment of the NSW Government.

I would also like to thank IPART for its recommendation in the December 2017 report for retailers to give advanced notice to customers of price changes. As you may be aware, I have recently submitted a joint rule change, with the Hon Josh Frydenberg, Minister for the Environment and Energy, requesting the Australian Energy Market Commission change the national rules to this effect. The Commission has recently started this rule change process.

It is essential that competition in NSW energy markets continues to develop. In previous years, I have requested IPART to review price changes that occur in July each year to ensure that these changes are efficient. IPART's advice on these matters is key to ensuring that customers continue to have confidence in the markets. I am therefore requesting that IPART reviews electricity and gas price movements in July 2018 and advises on whether any price changes reflect efficient costs in a competitive market. IPART should also consider any relevant issues that are raised in the Australian Competition and Consumer Commission's Retail Electricity Pricing Inquiry: Final Report.

In addition, you would be aware that changes to the national rules on metering commenced on 1 December 2017. Digital meters can bring significant benefits to customers by helping them to control their electricity costs and to increase market efficiency by improving network usage.

It is essential that the transition to the new arrangements is as smooth as possible to ensure ongoing consumer confidence in the market. I expect retailers to deliver high levels of customer service; however, I have heard reports of delays in meter installation and poor customer communication.

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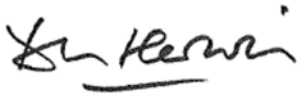
In this context, I request that IPART review retailers' practices in relation to metering and report on whether these practices are delivering acceptable levels of customer service. This may require IPART to formally request information from retailers about its metering performance, including timeframes for the installation of meters since the new arrangements commenced. In its 2018 report, I also ask that IPART identify any opportunities or recommendations for improving retailer customer service.

Both requests are made under section 234B of the National Energy Retail Law (NSW) and I request that you consider these as part of the annual report. Should you have further questions on this matter, please contact Ms Katharine Hole, Executive Director Energy Strategy on 02 8229 2848.

Yours sincerely



Don Harwin MLC
Leader of the Government in the Legislative Council
Minister for Resources
Minister for Energy and Utilities
Minister for the Arts
Vice-President of the Executive Council

Date: 7 May 2018

B Context for this review

On 1 December 2017, the Australian Government introduced a competitive framework for the provision of metering services as part of its 'Power of Choice' review implementation. The new framework aims to promote innovation and investment in digital metering, and give consumers the opportunity to access a wider range of metering services at a price they are willing to pay.[39]

The new framework transferred responsibility for metering services from electricity distributors (who had an effective monopoly over these services), to a new entity - the Metering Coordinator. Metering Coordinators are appointed by each electricity retailer.

The Metering Coordinator must also now ensure that all new and replacement meters are 'digital meters'.[40] That is, meters that have advanced remote communications capability, which may include remote disconnection and reconnection[41], on-demand meter read, scheduled meter read, metering installation inquiry and advanced meter reconfiguration. Electricity distributors remain responsible for providing metering services at a consumer's premises until that consumer and their retailer decide to install a digital meter or a meter needs replacement.[42]

This appendix explains the new legal and regulatory framework for delivering metering services, including the roles and responsibilities of the metering parties, and any regulatory obligations and restrictions they face.

B.1 Overview of the metering installation framework in NSW

There are four main areas of regulation relevant to metering installation and upgrades in NSW:

- The National Energy Market (**NEM**) metering services regime, which includes Chapter 7 of the National Electricity Rules (**NER**) and the metering provisions of the National Energy Retail Rules (**NERR**). Chapter 7 of the NER includes a regime for the contestable provision of metering services, allocates the roles and responsibilities of Metering Coordinator, Metering Provider and Metering Data Provider, and addresses technical requirements and standards for metering installations and the provision of metering services. The NERR addresses the retailer/distributor/customer relationship aspects of the metering services provided under NER Chapter 7.

39 AEMC, *Expanding Competition in Metering and Related Services*, https://www.aemc.gov.au/rule-changes/expanding-competition-in-metering-and-related-serv, accessed 19 June 2018.

40 Schedule 7 of the National Electricity Rules states that the Metering Coordinator must ensure that any new or replacement metering installation for small customers must be a type 4 metering installation that meets the minimum services specification.

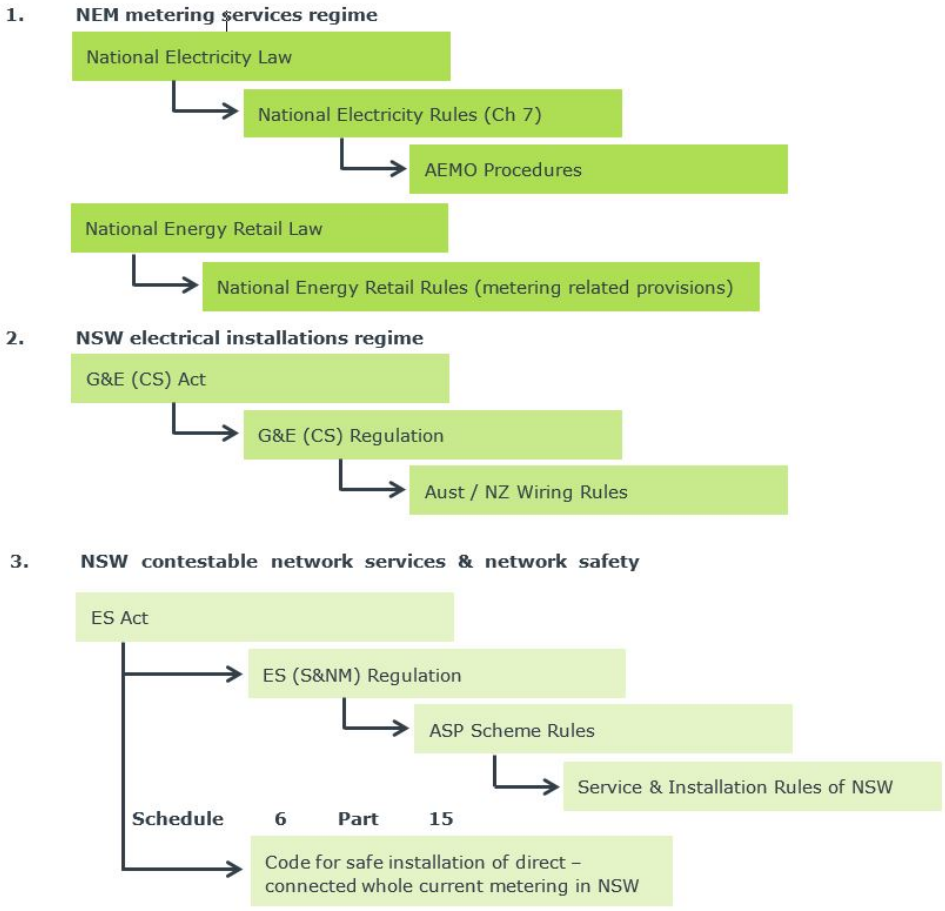
41 The remote de-energisation and re-energisation of a small customer's premises using a digital meter is currently prohibited for 18 months beginning on 1 December 2017. This regulation expires on 1 June 2019. See Electricity Supply (General) Regulation 2014, clause 8A.

42 National Electricity Rules, Clause 11.86.7

- The *Gas & Electricity (Consumer Safety) Act 2018* (G&E (CS) Act) electrical installations regime governs consumer safety requirements relating to electrical installations at customer premises (which includes meters).
- The *Electricity Supply Act 1995* (ES Act) contestable network services regime governs the provision of contestable network services by ASPs. The ASP Scheme Rules and the Service and Installation Rules NSW are two key instruments established under this regime which are relevant to electricity meter installation. The ES Act also confers statutory rights on Metering Providers relating to the protection of their meters and access to premises.
- The *Work Health and Safety Act 2011* and WHS Regulation, which requires a safe system of work and imposes specific requirements for electrical work on live or energised electrical equipment.

Figure B.1 is a visual overview of the first three areas of regulation described above.

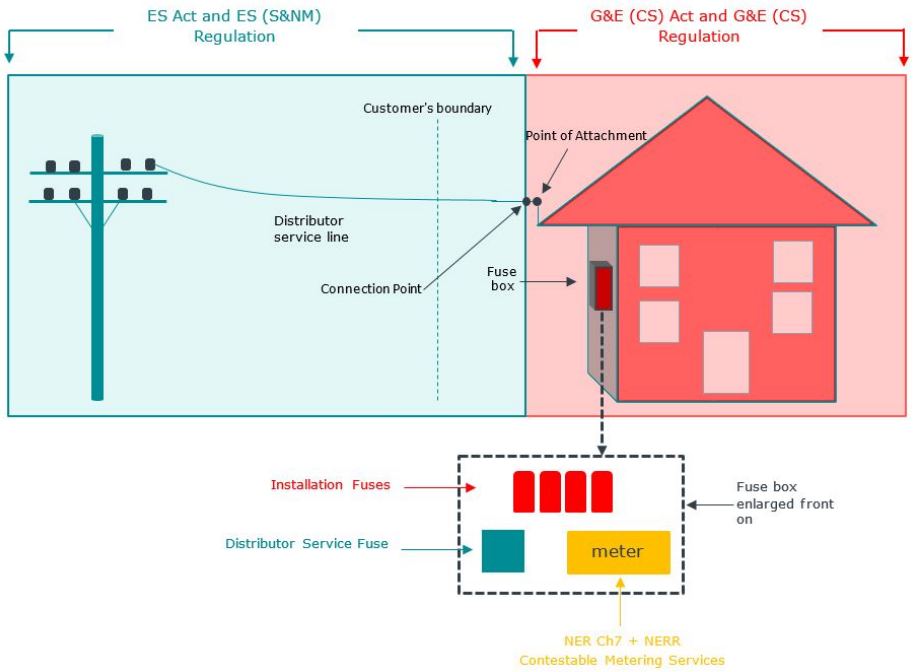
Figure B.1 Regulatory framework governing meter installations in NSW



Data source: Ashurst Australia.

Figure B.2 illustrates the scope and application of each of these areas of regulation by reference to where the 'connection point'[43] for a distributor's system ends and the electrical installation at a customer's premises begins.

Figure B.2 Application of regulation to distributor's and customer's electrical networks



Note: This is one of a number of connection point configurations as described in the Service and Installation Rules of NSW.
Data source: Ashurst Australia, adapted from Service and Installation Rules of NSW, Figure 1-1(a).

B.2 Roles, responsibilities and obligations of metering parties

Table B.1 summarises the roles of metering participants, and key provisions of the NSW regulatory framework that may prevent or limit retailers from delivering acceptable levels of customer service in relation to metering.

Table B.1 Roles, responsibilities and obligations of metering parties

Participant	Role	Key provisions that may limit (or not encourage) retailers delivering acceptable customer service	Legislative reference
Retailer	Retailers are now responsible for all new meter upgrades or installations and these	Retailers are only required to install new or replacement meters where they are faulty. There is no requirement to:	Rule 7.8.10, NER

43 The 'connection point' is defined under the ES Act as the point of connection supplying electricity from a distributor's 'distribution system' to the 'electrical installation' at a customer's premises as determined in accordance with the Service and Installation Rules of NSW.

	must be digital (type 4) meters. Retailers must appoint an MC for each small retail customer connection point. Large customers have the option of appointing their own MC or having one appointed by their retailer. Retailers raise service orders with the MC to install meters.	• replace a meter after any set period of time or at the end of its expected life, or • install a new or replacement meter if there is an existing meter that complies with the NER and still operates in accordance with the relevant specification. Retailers can only arrange planned interruptions in relation to their own customers. This means they must liaise with the distributor where supply needs to be interrupted to multiple customers with different retailers, such as where there is a shared fuse or metering board.	Clauses 59B(b)(ii) and 90, NERR
Distributor	Distributors were previously responsible for metering. Now, their role is to cooperate with other metering participants by: • turning power off at a customer's premises to isolate the meter to enable MPs to carry out works, and • in the case of distributor planned interruptions, notifying customers of planned outages.	A distributor is not obliged to give retailers access to its register of life support customer premises (just as a retailer is not obliged to give the distributor access to its own register). This means retailers may not always be able to identify life support customers of other retailers who may be affected by a planned outage of a shared fuse, or of multi-occupancy dwellings.	Part 7, NERR
Metering Coordinator (MC)	MCs have primary responsibility for providing metering services, including protecting security of access to small customers' advanced meters (also known as 'smart' or 'type 4' meters), the data they contain and the services they provide. The MCs engage the MPs. If a metering installation is faulty, then it is the MC responsible for the connection point who must ensure that the meter is repaired or replaced by an MP.	An MC is free to satisfy itself any way it sees fit that an MP is able to perform its tasks sufficiently (for example to undertake training courses specific to the MC). This could go beyond the requirements for the MP to become accredited through AEMO.	Rule 7.4.1 and Schedule 7.2, NER

Metering Provider (MP)	MPs are appointed by MCs under NER Chapter 7 to provide, install and maintain meters at customer connection points for which the electricity is purchased in the NEM. MPs employ or contract technicians or ASPs, to install meters. In some circumstances, MPs and their metering technicians need to operate fuses when installing or replacing meters.	MPs (and their contracted technicians) cannot conduct 'live work' (that is carry out work on energised meters) or operate Distributor Service Fuses (see Diagram 2) to energise and de-energise connection points, unless they hold a Level 2 ASP accreditation to undertake Class 2D services and are authorised by the relevant distributor. This means MPs (unless they hold the relevant ASP accreditation) either need to contract suitably qualified ASPs (which increases the costs of meter installations) or liaise with distributors to arrange de-energisation before carrying out metering services.	Clause 1.14.2, Service and Installation Rules of NSW Clause 2, ASP Scheme Rules Clauses 152 and 157, the WHS Regulation Clause 18, Metering Code[a]
Metering Data Provider (MDP)	MDPs are appointed by the MC. They collect, process and store metering data.	None identified.	n/a
Customers	The customer or their representative (such as an ASP, builder or solar company) must contact the retailer to request a new meter. Large customers[b] may appoint their own MC.	If a retailer does not offer a meter to a small customer on terms that are acceptable to the small customer, the only option for the small customer is to switch to another retailer with more favourable terms. Further, retailers are not required to arrange for an MC to replace a functioning meter at the request of a customer. A small customer cannot appoint their own MC (only the customer's retailer can appoint the MC) and cannot engage directly with an MP or ASP for the purpose of meter installations.	Chapter 7, NER Rule 7.6.2, NER

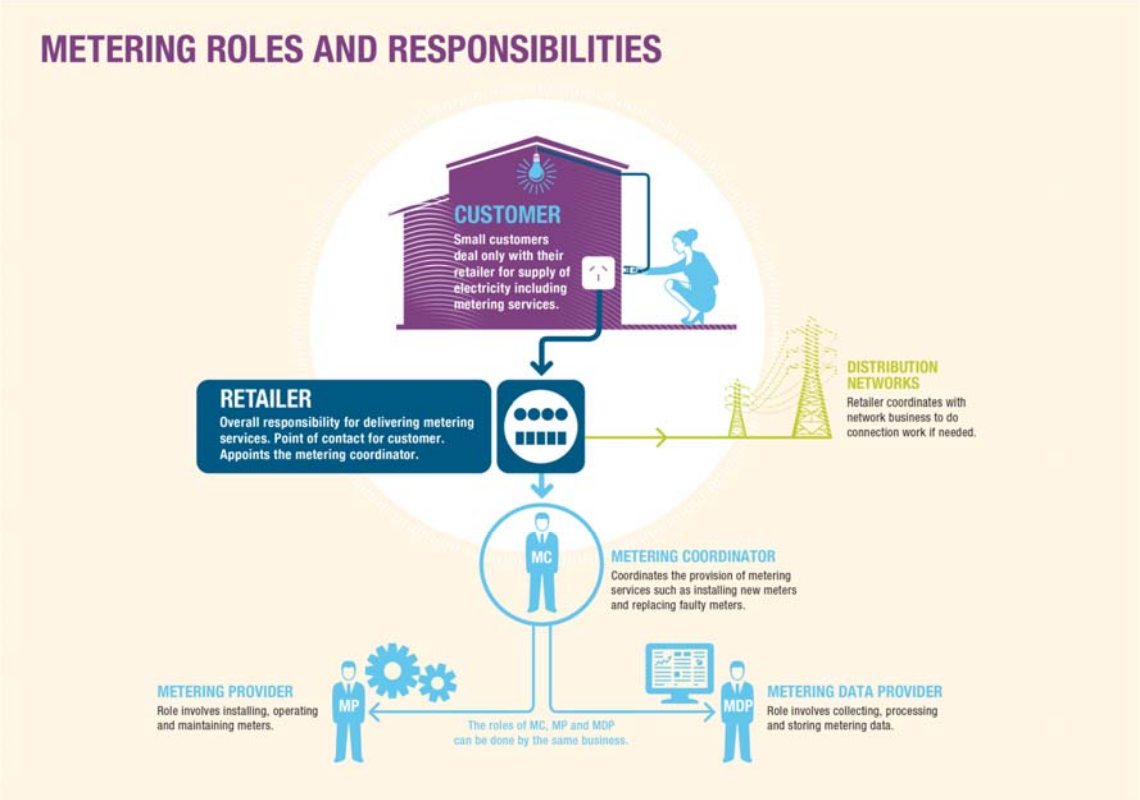
a Code for safe installation of direct-connected whole current metering in NSW.

b A large customer is a business customer who consumes energy at business premises at or above the upper consumption threshold as per National Energy Retail Law (NSW), section 5(3).

Source: IPART.

Figure B.3 illustrates the new roles and responsibilities of key metering parties.

Figure B.3 Roles and responsibilities of key metering parties



Note: Any person could perform the Metering Coordinator, Metering Provider and Metering Data Provider roles subject to accreditation and registration requirements.

Source: AEMC, *Metering installation timeframes*, *Draft rule determination*, September 2018, p 4.

B.3 Legal barriers relevant to key issues raised in consultation

During consultation, stakeholders identified a number of key issues as legal barriers to retailers providing acceptable levels of customer service in relation to metering installations. The following describes the extent to which there appears to be legal barriers:

- **There is no regulatory barrier to retailers charging customers to replace a faulty meter.** However, in practice, contestable meter services provided by MCs and their MPs to retailers are competitively negotiated. Typically a retailer would not pay for the replacement or repair of a faulty meter; it would require the MC/MP to replace or repair faulty meters without charge. MCs and their MPs are usually in a position to do this by claiming under faulty meter repair/replace warranties in their meter supply contracts with meter manufacturers (unless caused by faulty installation or damage after installation). We note that in general there are no regulatory constraints on how much retailers can charge a customer for a new meter (although in practice, retailers typically pass through low charges over the life of the customer contract – see below).
- **Retailers do not usually pass on any lump sum meter acquisition and installation cost to customers.** In practice, retailers do not usually acquire the meters provided to them by their appointed MCs/MPs. Therefore they do not seek to pass through any lump sum meter acquisition cost to the customer.

- **Ownership of meters is determined by the contractual arrangements between the retailer and the MP which provides the meter.** Typically, ownership of the meter remains with the MP (or its third party financier), who charges the retailer a metering services fee for the use of the meter. The retailer then passes the fee through to the customer or absorbs it within the retail energy price charged to the customer.[44] If the customer churns away from the retailer, then the MC/MP will seek to contract with the incoming retailer for the continued use of the meter.
- **Arranging planned interruptions to enable meter installations can cause delays.** Retailers can only arrange supply interruptions for their own customers. Where the supply of multiple customers with different retailers needs to be interrupted, the distributor must arrange the interruption. The distributor and MC must provide each other with such assistance as the other may require to undertake their respective obligations. Where a MC is appropriately qualified as an ASP, a distributor could authorise the MC to undertake the supply interruption on the distributor's behalf as a distributor planned interruption (and authorise the MC to give the required notice on the distributor's behalf).

44 This represents a fairly small amount per month or quarter (spread out over the expected life of the meter for at least a period of some five to 10 years), when compared to the customer's overall energy bill each month or quarter.

C Summary of submissions to our Fact Sheet

In May 2018 we published a Fact Sheet about our metering review and called for stakeholder submissions on:

- the time it has taken for customers to receive their new meter, how many times providers have had to visit a property to complete an installation, and the reasons for multiple visits where they have occurred,
- any costs incurred by customers,
- the communication and service provided
- whether any unexpected issues arose, and
- issues experienced by retailers.

We received 145 submissions to our Fact Sheet. A majority of these were from ASPs, as well as builders and solar companies, which have experienced problems with communication and coordination with retailers and other metering parties. This appendix summarises our key findings from submissions.

Table C.1 Summary of key issues raised in submissions

Issue	Description	Submissions received from	Our response
Shared fuses and multi-occupancy meter replacements	Retailers must provide 4 days' notice to customers of a power disconnection. However, where a household has a shared fuse (eg, common in apartments, shops and townhouses), customers may have multiple different retailers and the initiating retailer cannot provide notice to other retailers' customers. This coordination is also a problem where wiring rectification or replacing a meter box is required.	AGL Australian Energy Council EnergyAustralia National Electrical and Communications Association P Bennett R Prasad	Our draft recommendation is that, subject to necessary training and safety regulations, Metering Providers should be permitted to: • operate any service fuse carriers required to de-energise a site for a meter installation • conduct live isolation work, where necessary • install ripple control relay devices, where required, and • provide planned interruption notices to affected customers on the spot. The AEMC's draft rule change provides for customers to waive their own 4-day notice period.
Metering providers do not have authority to isolate supply	Being unable to isolate the electricity supply at the site is the main reason why metering installations are being delayed	Australian Energy Council EnergyAustralia	Our draft recommendation is that, subject to necessary training and safety regulations, Metering Providers should be permitted to conduct live isolation work, where necessary.
Delays and poor customer service	Customers experiencing delays in meter installations, retailers are not meeting customer expectations and poor communications with customers. PIAC recommended 'metering provider of last resort' scheme be introduced to ensure that consumers are able to access digital metering services in a timely and affordable manner where they are not being adequately served by the competitive market.	Cavalier Homes Elfords Electrical EWON Larkin Electrical PIAC S Duffy P Law	The Australian Energy Market Commission (AEMC) recently made a draft rule determination to introduce metering installation timeframes for retailers. We consider that this and our draft recommendations would be effective in reducing installation times to an acceptable level.
Remedial wiring and live work	Metering technicians are not permitted to remove certain fuse types, undertake remedial wiring or live work and an ASP must be engaged to do this. There is no way for the	National Electrical and Communications Association N Wiedermann	Our draft recommendation is that, subject to necessary training and safety regulations, Metering Providers should be permitted to:

	retailer to determine if this is required prior to a site visit. This causes multiple visits, additional coordination between ASPs/electricians and metering technicians and notice requirements.		• operate any service fuse carriers required to de-energise a site for a meter installation, • conduct live isolation work, where necessary, and • install ripple control relay devices, where required.
Safety risks	NECA indicated that the new reforms impose safety risks including: • In some cases electrical contractors are required to connect to the power while bypassing the meter, for example when a lightning strike destroys a meter in a rural area and the farmer whose property it is located on cannot wait very long as they need the power for irrigation pumps; and • Developers are connecting to power bypassing meter boards by using generators connected to the mains, in order to keep their construction projects from falling behind schedule.	National Electrical and Communications Association D Sloane	Our draft recommendations require the metering provider to undertake necessary training and comply with safety regulations. This would be a condition of accreditation.
Role of distributors	Distributors are in unique positions in that they should have records of the conditions of their meters, wiring configurations and supporting infrastructure (i.e. if there is an isolation point where multiple customers share a single fuse). There are occasions where the lack of coordination or reluctance from distributors to assist are causing metering delays.	EnergyAustralia	The distribution network service provider is responsible for the connection process for customers.

			Under the AEMC's draft rule, for more complex meter exchanges that also require a connection alteration, the distributor must coordinate the connection alteration with the retailer in order to allow the retailer to meet its timeframe obligations. This requirement is necessary because the retailer does not have any direct control over the timing of the distributor's connection service work for the site. During complex meter exchanges, the retailer and the distributor must closely coordinate in order to provide the meter installation within a short timeframe and ensure the continuity of electricity supply to the consumer.
Controlled load	Essential Energy requires that their ripple control relay devices are installed with any meter installations so they can retain control of the controlled load timing. These devices are being supplied on an as needs basis.	Discussions with stakeholders	Our draft recommendation is that subject to training and observation of relevant safety regulations, Metering Providers should be able to install ripple control relay devices if appropriate.
Access to meter boxes	Customers may not know if their meter box is locked or whether they have a key, and if so, have to coordinate with the metering coordinator to allow them access. Distributors have a master key to meter boxes, Distributors have indicated reluctance to provide master keys to metering providers, preventing access to many sites.	Australian Energy Council EnergyAustralia	We consider that it is reasonable for distributors to restrict access to their master keys, as they have a contractual obligation to keep customers' utility boards secure. Master keys can be used to open all utility locks, including those for other retailers' customers, with which the Metering Coordinator has no contractual arrangement. In addition, they would be able to access other utility services, such as water meters. Distributors have also told us that the costs they incur to attend an appointment to unlock a locked meter board exceed the cost of removing and replacing the lock.
Training for metering technicians	MCs require technicians to undertake training before they can work for them. However, metering coordinators do not recognise each other's training. Attending training can be uneconomic for technicians in regional areas (may have to travel, take time off work), and they may not receive enough jobs to make it worthwhile. Submitters also state that courses are run infrequently and are not flexible.	National Electrical and Communications Association Otis Electricial Solmet electrical Installations Tobco Constructions G P Bennett	We consider that there is an opportunity for Metering Coordinators to identify and recognise common elements of each Metering Coordinator's training with a view to reducing the repetitive burden on Metering Providers and improve efficiency. However, this is a matter for Metering Coordinators to determine.

		LJW Solar M Thorsby G Moss	We consider that the AEMC's draft rule determination on metering installation timeframes may provide an incentive for Metering Coordinators to streamline training requirements, where they may need to expand their workforce, particularly in regional areas.
Increased administration requirements and retailer/MC practices add delays	Each retailer has its own reporting requirements and processes, which are time consuming.	Luchman Electrical Orana Energy Systems M Ren G Spillane L Stojanovic	We note that in its draft rule determination, the AEMC recommended that AEMO streamlines the appointment process in its B2B Market Settlement and Transfer Solutions (MSATS) system for metering parties in certain circumstances, and that the AEMO objection period should be reduced to zero days in cases where an existing accumulation meter needs to be replaced with an advanced meter.
Delays in residential electricity connections	Retailer's delay in delivering an electricity connection to building sites has forced builders to resort to the use of diesel generators. These in most cases have to be hired by the builder so they become another cost incurred and passed onto the homebuyer. HIA the costs of the changes to have added a minimum of $2,000 to the construction of a home. To multiply those costs across the new homes built in those parts of NSW where the implementation of the changes has been poorly managed over the last 6 months and the predicted homes to be built in the next 6 months, is a significant amount.	Cavalier Homes Housing Industry Association D Cumming	The AEMC's draft rule determination and our draft recommendations would be effective in reducing installation times to an acceptable level.
Coordination of metering jobs in rural and regional areas	It is not economic to send a technician separately to each job in a regional or rural areas, when they may have to travel many hours to get there. MCs wait until they have a number of jobs. This may cause delays not experienced in the metro area.	National Electrical and Communications Association Red Earth Electrical	The AEMC's draft rule determination and our draft recommendations would be effective in reducing installation times to an acceptable level.
Retailers communication and expectations with customers	Submissions advise of lengthy call wait times, inexperienced call centre staff providing incorrect information, no flexibility in setting dates, not giving realistic timeframes, not explaining who is responsible for what, site visits cancelled or rescheduled due to problems coordinating power disconnection,	Funnells Electrical National Electrical and Communications Association B Allen R Chenoeth A Dwyer J Garbutt	We consider that the AEMC's draft rule determination on metering installation timeframes will provide incentives to retailers to manage the application process more efficiently, and could help reduce the volume of repeat customer calls to retailers.

	customers' having to pay for unexpected remedial wiring, new meter box or removal of asbestos.		We also consider that retailers could for example set up a dedicated phone line and/or team to deal with metering issues, including a dedicated trade line, and retailers could offer an online application portal and/or other online capabilities.
Retailers communication with ASPs, builders and electricians	Submissions advise of no direct line to retailer, long call wait times, speaking to different staff each time, some ASPs/builders/electricians unaware of the new processes, retailers assigning third party ASPs to do the installation, difficulty obtaining meter stock Retailers cause delays.	Apex Solar Adlec Electrical Funnells Electrical Luchman Electrical National Electrical and Communications Association T Cashmore L Davaris L Dutton K Eisenhuth C Gorham V Ivanovic M Langshaw S Makkouk L Pejkic L Stojanovic J Smedley D Sloane M Thorsby	We consider that the AEMC's draft rule determination on metering installation timeframes will provide incentives to retailers to manage the application process more efficiently, and could help reduce the volume of repeat customer calls to retailers
Meter installation is overly convoluted and inefficient. The ability for ASPs to be a one stop shop has been removed and the new system adds delays	Previous system worked well the distributor issued the metering equipment directly to the ASP who installed it. The turnaround from the connection application to meter installation was less than a week, now it is a minimum of several weeks usually 6 to 8 or more	National Electrical and Communications Association J Beazley P Bennett C Costa G Costa B Lane S Philips A Gillard A Fleming R Simshauser LJW Solar N Wilso Mekah Electrical] S Gill M Castle	We agree. Our draft recommendation is that, subject to necessary training and safety regulations, Metering Providers should be permitted to: • operate any service fuse carriers required to de-energise a site for a meter installation, • conduct live isolation work, where necessary, and • install ripple control relay devices, where required

	V Ivanovic R Lawrence R Meeuwisse J Murdoch A Ronan L Franks M Hayes M Hansen D Alston M Edwards The Electrical Co Superior Electrical services D Sloane V Ivanovic K Larkin S O'Connor

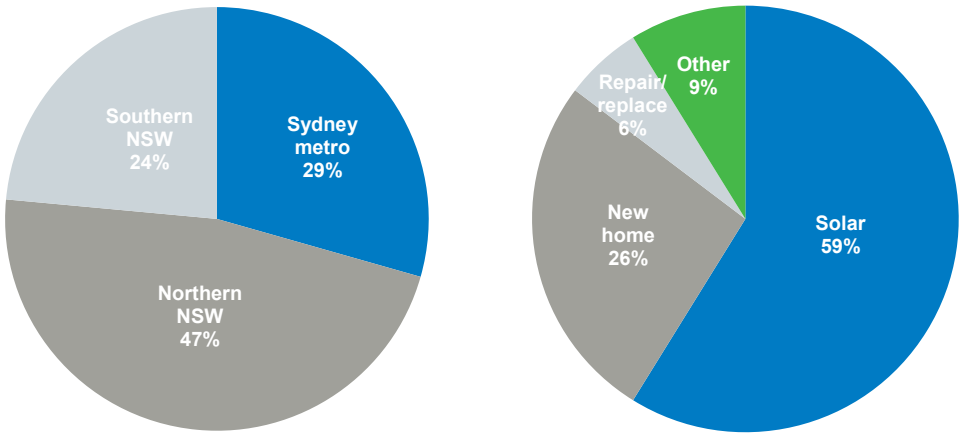
D Key findings from our stakeholder survey

In June 2018, we published an online survey to ask customers about their experiences in getting a meter installed – how long it took, problems they encountered and the information and service they received from their retailer. We received 68 responses. This appendix summarises our key findings from the survey results.

D.1 A majority of responses were from customers in regional areas and those installing solar panels

A majority of responses were from owners of houses (85%), in regional southern and northern NSW areas (71%) (Figure D.1). The most common reasons for requesting a meter were because they had installed solar panels (59%) or because they were building a new home (26%) (Figure D.1).

Figure D.1 Location and reasons for meter installation (%)



Data source: IPART survey.

About half (53%) initially requested their meter through their retailer, and the most common retailer was Origin (41%), followed by AGL (22%) and Energy Australia (16%). Most initial requests were made between January and May 2018 (79%).

Table D.1 Percentage of retailers from survey responses %)

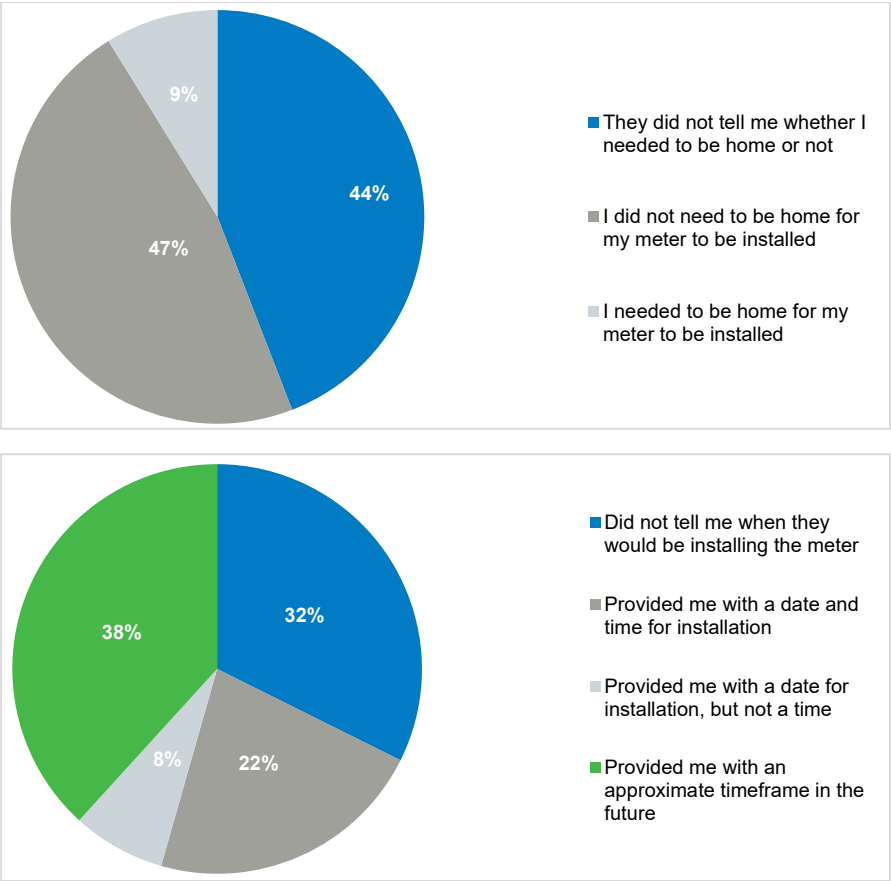
Retailer	% survey responses
ActewAGL	1.5%
AGL	22.1%
Click Energy	1.5%
Energy Australia	16.2%
Energy Locals	4.4%
Enova Energy	2.9%
Origin Energy	41.2%
Pooled Energy	1.5%
Powerdirect	1.5%
Powershop	2.9%
Red Energy	4.4%

Source: IPART survey.

D.2 Customers were dissatisfied with initial information and expectations provided by their retailer

Survey results indicated that initial information provided, and expectations set by, the retailer were poor. For example, 44% of respondents were not told whether or not they needed to be home for an installation to occur, and 71% were not given a specific date for installation.

Figure D.2 Initial expectations about site visits to install a meter

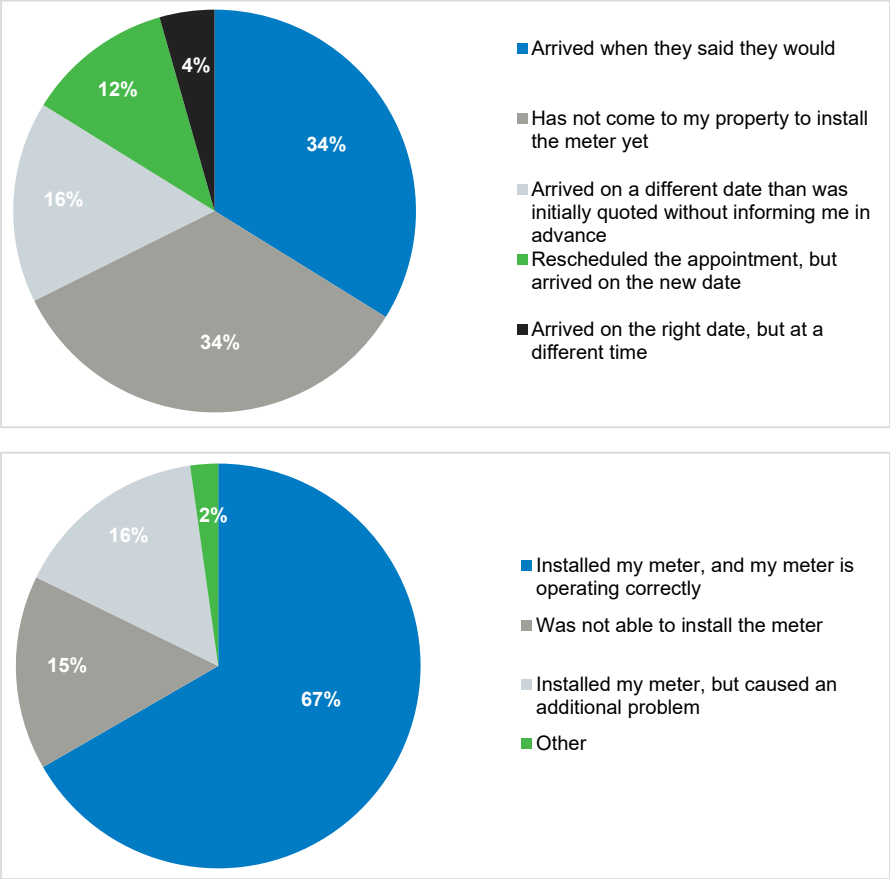


Data source: IPART survey.

D.3 Customers were dissatisfied with Metering Providers' reliability

Meter providers were not reliable in keeping appointments. For example, around a third (32%) either turned up on a different day or time or had to reschedule the appointment. In a third of cases, meter providers were not able to install the meter on the first visit (15%), or caused an additional problem (16%).

Figure D.3 Reliability and effectiveness of metering providers on first visit

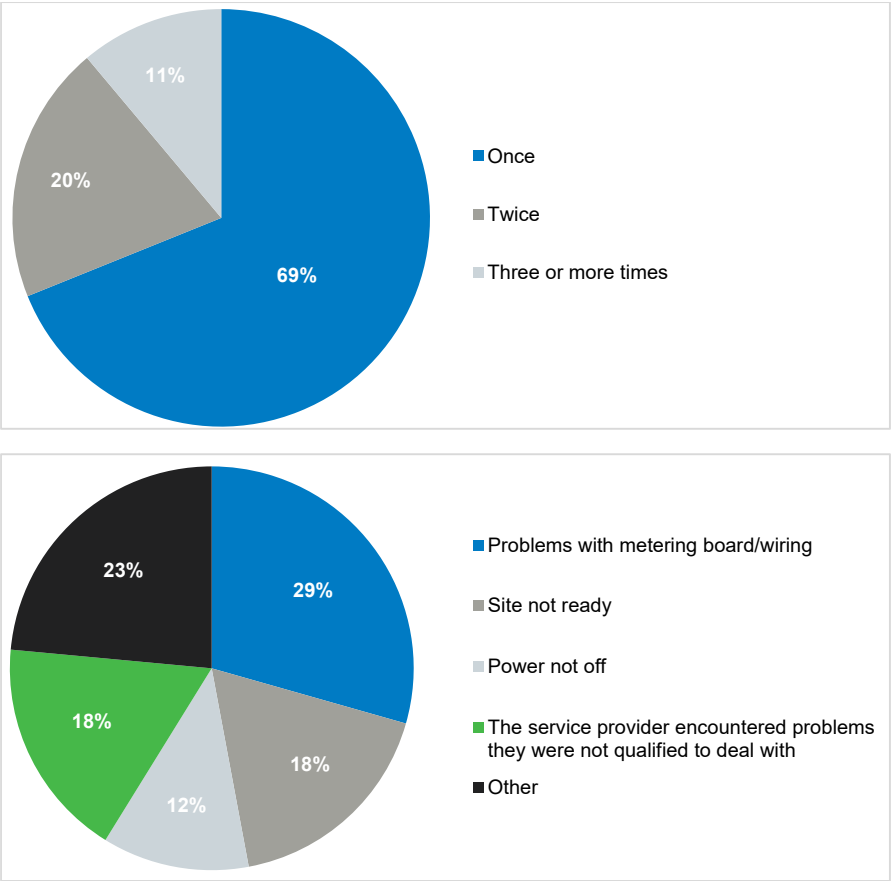


Data source: IPART survey.

D.4 Meter board problems and site not ready were the biggest issues causing repeat visits

In a third of cases, respondents' meters were not able to be installed on the first visit (Figure D.4). Key reasons causing multiple site visits were problems with the metering board or wiring (29%), the service provider encountering problems that they were not qualified to deal with (18%), and the site not ready (18%). Other reasons were that the power was not switched off when the technician arrived (12%), and other reasons including the service provider having the wrong meter, not having a meter or other retailer error (Figure D.4).

Figure D.4 Number of visits and reasons for multiple visits

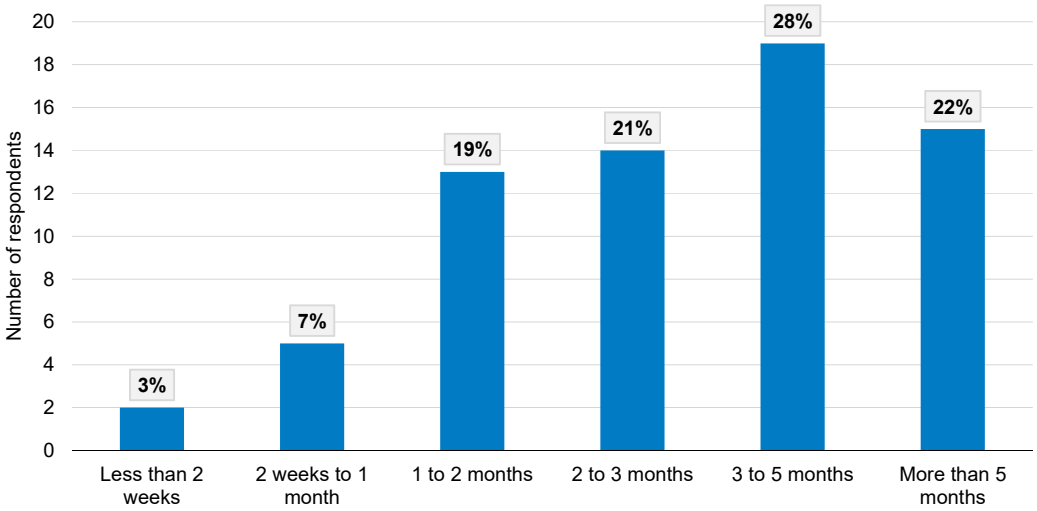


Data source: IPART survey.

D.5 Delays experienced by customers have been extensive

The delays reported by survey respondents have been extensive. For example, only 10% of meters were installed within one month, with 22% taking more than 5 months to date. Most were installed in 3 to 5 months (28%) (Figure D.5).

Figure D.5 Timeframe for installations

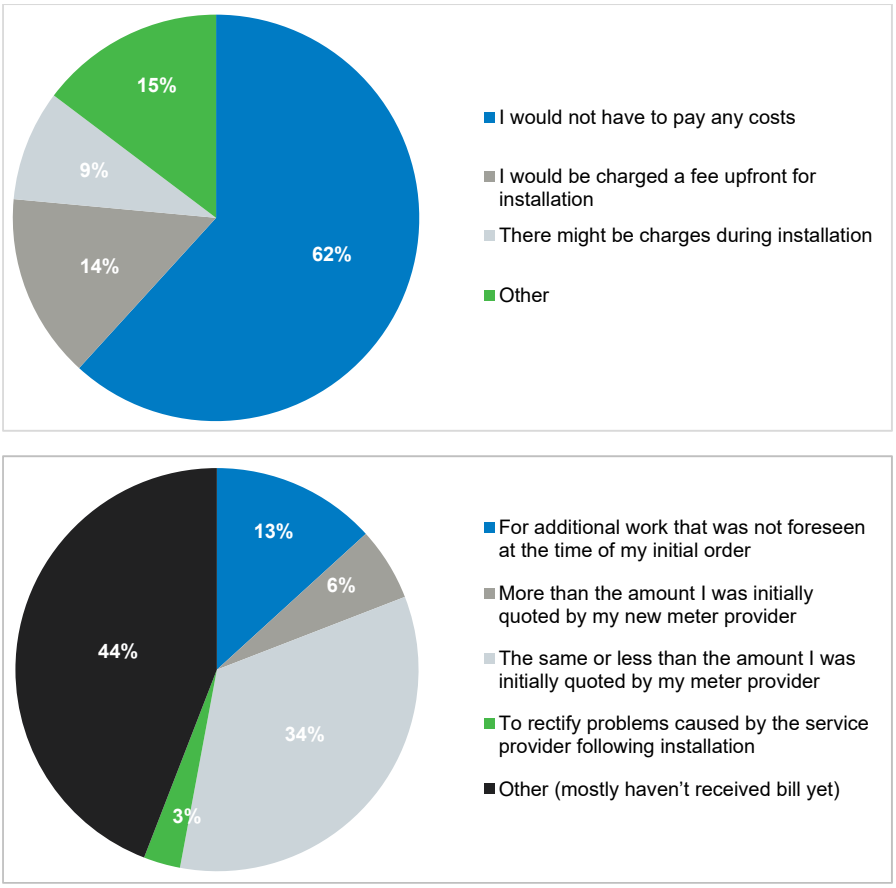


Data source: IPART survey.

D.6 Customers were dissatisfied with costs they did not expect

Some customers had to pay more than what they were originally advised or expected. For example, 22% had to pay for additional work that was not foreseen at the time of the order, more than what was quoted at the time of the order or to rectify problems caused by the meter provider following installation (Figure D.6).

Figure D.6 What customers paid compared to what they expected to pay



Data source: IPART survey.

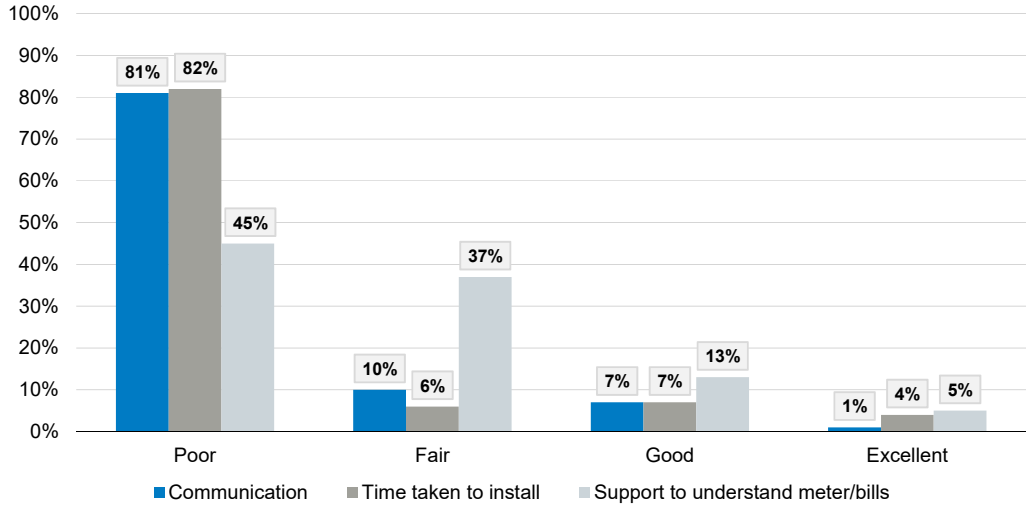
D.7 Respondents were dissatisfied with retailer communication and time taken to install

Survey respondents were largely dissatisfied with the retailer's communication (91% rated communication as poor or fair). Most of the reasons cited were difficulty in contacting the right people initially, and call waiting times.

A majority of respondents were dissatisfied with the time taken to install (88% rated time taken as poor or fair). Most of the reasons cited were that the timeframe quoted initially was too long, and the actual time taken exceeded their expectations.

In 82% of cases respondents were not satisfied with the support provided by the retailer once the meter was installed. For example, respondents were not told how to read their meter or how their tariffs would be calculated and/or the retailer did not provide an app or have ability to read the meter remotely (Figure D.7).

Figure D.7 Customer satisfaction with the installation process



Data source: IPART survey.