IPART

Independent Pricing and Regulatory Tribunal
New South Wales

Retailers' metering practices in NSW

Final Report
Energy

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The Independent Pricing and Regulatory Tribunal (IPART)

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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) also reviewed 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 covered retailers' electricity metering practices for residential and small business customers in NSW, and involved:

- 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 report sets out our findings and recommendations, presents feedback and data from stakeholders and discusses our analysis and conclusions.

1.1 Retailers' metering practices are not delivering acceptable customer service

Retailers are not delivering an acceptable level of customer service to customers requesting a meter. In particular, customers are 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 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 around 200 complaints a month about metering issues, with an average of 100 per month about meter installation delays.[1]

[1] EWON submission to IPART Fact Sheet, August 2018, p 2; EWON submission to IPART Draft Report, November 2018, p 1.

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

1.2 Our recommendations would simplify the installation process and complement the AEMC's draft rule determination on metering timeframes

In September 2018, the Australian Energy Market Commission (AEMC) 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. We have consulted with the AEMC throughout our review to ensure that our recommendations are consistent with, and complement, the AEMC's draft rule determination.

Most stakeholders supported our draft recommendations and agreed that they would simplify the meter installation process. They also expressed support for the AEMC's draft rule determination and generally agreed that our draft recommendations would complement it.[2]

Some stakeholders were keen for both IPART's and the AEMC's recommendations to be implemented as soon as possible as they considered that delays have gone on too long.[3]

2 HIA submission to IPART Draft Report, November 2018, p 1; PIAC submission to IPART Draft Report, p 1; EWON submission to IPART Draft Report, November 2018, p 1; Simply Energy submission to IPART Draft Report, November 2018, p 1; intelliHUB Group submission to IPART Draft Report, November 2018, p 1; Endeavour Energy submission to IPART Draft Report, November 2018, p 1; Ausgrid submission to IPART Draft Report, November 2018, p 1.

3 HIA submission to IPART Draft Report, November 2018, p 1; PIAC submission to IPART Draft Report, November 2018, p 2.

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 supply, and
- streamline the appointment process for metering parties.

However, 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 received a number of submissions and plans to publish its final rule determination in early December 2018.

IPART made a submission to the AEMC's draft rule determination to recommend that:

- there should be greater clarity around the exceptions for safety, electrical and access constraints, as well as how exceptions would be assessed and granted
- the rule could be improved by providing extra days for retailers to complete installations in most complex cases, rather than providing exceptions to timeframe obligations.

We also supported the AEMC's recommendation to allow retailers flexibility to engage with customers in the first instance to find a suitable time for meter installation, including customers on the life support register (with a default 4-day notification timeframe where an agreement is not made).

Source: Source: AEMC, *Metering installation timeframes, Draft rule determination*, September 2018; IPART's submission to the AEMC's draft rule determination, October 2018.

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

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 associated works in more complex cases. These include where there are service protection devices that require specialist equipment, live isolation, ripple load control devices or customers on a shared fuse. 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.

Generally, a Level 2 ASP is accredited and authorised to carry out all metering-related works in complex situations. However, this requires coordination between metering technicians and ASPs, or the Metering Provider must send ASPs to every job, which increases the time taken and cost, to the detriment of the customer.

In our Draft Report, we suggested that a Level 2 ASP accreditation might be an excessive requirement to install all meters. We recommended 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.[4]

Stakeholders broadly supported our draft recommendation to simplify the meter installation process, but expressed concerns about maintaining safety levels

Stakeholders broadly supported our draft recommendation. However, they expressed concerns that any new arrangements should not compromise safety (particularly for life support customers), quality of metering work or network integrity.

While there was some consensus that the minimum training requirements to undertake all metering related tasks safely would be akin to a Level 2D under the ASP scheme[5], stakeholders had different views about how this should be achieved in practice. For example:

- NECA considered that training should be provided by Registered Training Organisations (RTOs) and audited by the Australian Skills Quality Authority.[6]
- Vector considered that its training is similar (but not the same) to the training that a distributor requires ASPs to undertake,[7] and its safety management plan and installations are audited by the NSW Office of Fair Trading (NSW OFT).[8]

4 IPART, *Retailers metering practices in NSW – Draft Report*, October 2018, p 10.
5 They may also require Level 2A in order to disconnect and reconnect supply at an overhead connection point.
6 NECA submission to IPART Draft Report, November 2018, p 3.
7 Vector submission to IPART Draft Report, November 2018, p 2.
8 Discussions with IPART and Vector.

Ausgrid considered that there was scope to allow Metering Providers to operate service protection devices on the customers' installation side, but opposed the operation of these devices on network assets, unless the Metering Provider meets all network operator requirements (eg, they are an ASP), because of the potential risk associated with inadvertent interruption to supply to other parties.[9]

Subject to compliance with safety requirements and sufficient quality controls, we consider that Metering Providers should have flexibility to train their workforce according to their needs

On balance, we consider that Metering Providers have statutory obligations to ensure their workforce is qualified to complete work to an appropriate standard, and complies with all relevant safety regulations. Metering Providers must demonstrate competency of each person engaged to carry out work in their safety management system, which is approved by the NSW Office of Fair Trading (NSW OFT) (the safety regulator of meters and related installation work under the *Gas and Electricity (Consumer Safety) Act 2017* and Regulation 2018).[10] Penalties apply for failure to carry out electrical installation work in accordance with the relevant technical standards in the NSW Service and Installation Rules and Australia/New Zealand wiring rules.[11]

From next year, Metering Providers are likely to have statutory metering installation timeframes imposed on them by the AEMC's draft rule determination. This gives them an incentive to have sufficient, trained technicians to meet these timeframes, whether it is through employing more ASPs, or training more technicians internally.

Regardless of how Metering Providers optimise their workforce, we consider that any technician installing meters would have to observe all current regulations and safety standards, including the stringent conditions around live isolation work.

We consider that electrical work on the distribution network side should still meet the distributor's training and authorisation requirements

We acknowledge Ausgrid's concerns that working directly on certain network assets may pose risks to the broader network and other customers.[12] We consider that Metering Providers would have to satisfy the distributor's electrical safety rules, training and authorisations in order to undertake this work. For this reason, we accept that there may be selected service fuses (such as those labelled six to eight in Figure 3.1, which are located in the distribution network and not the customer's premises) that may require an ASP to operate.

As such, we have amended our recommendation that subject to observing safety regulations, Metering Providers can deploy the necessary resources to operate any service fuse carriers required to de-energise a site for a meter installation *within the customer's installation network*.

9 Ausgrid submission to IPART Draft Report, November 2018, p 4.
10 See https://www.fairtrading.nsw.gov.au/trades-and-businesses/business-essentials/information-for-specific-industries/smart-meter-providers, accessed 26 November 2018.
11 See https://www.fairtrading.nsw.gov.au/trades-and-businesses/construction-and-trade-essentials/electricians/electrical-compliance-requirements, accessed 26 November 2018.
12 Ausgrid submission to IPART Draft Report, November 2018, p 4.

Metering Providers should be able to install ripple load control devices

Essential Energy supported our draft recommendation to allow Metering Providers to install these devices, making it cheaper and easier for retailers, and expressed their willingness to work with Metering Providers to provide devices in a timely manner, where necessary.[13] As such, we propose to maintain our recommendation.

We consider that a rule change is required to allow retailer planned interruptions for shared fuse customers

Stakeholders expressed concerns that our draft recommendation to allow Metering Providers to issue planned interruption notices (PINs) on the spot:

- may increase risks for life support customers of other retailers,[14] and
- would not improve delays where a distributor planned interruption is required under the National Energy Retail Rules (NERR).[15]

Under the NERR, retailer planned interruptions are largely the same for life support customers as for other customers.[16] As long as Metering Providers give four days' written notice (not including the date of receipt of the notice), this would pose no additional risks to life support customers.

Currently, multi-occupancy and shared fuse dwellings are exempt from the AEMC's draft rule determination and the only way to install meters is to organise a distributor-planned interruption, which has proven to be a substantial cause of delays. To ensure timely meter installations for multi-occupancy and shared fuse customers, we recommend that the Minister for Energy and Utilities proposes a rule change to allow retailer planned interruptions of other retailers' customers for metering installations at multi-occupancy and shared fuse dwellings. This would also require changes to B2B reporting obligations to allow retailers to notify other retailers of planned interruptions.

1.2.2 Retailers and the Department of Planning and Environment should publish more prominent information on their websites about 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 having detailed information about the process for applying for a meter, and the roles and responsibilities of the parties available on the Department of Planning and Environment's and retailers' websites. Having access to a complete, factual and independent information source would be beneficial for customers in negotiating their meter installation with their retailer.

13 Essential Energy submission to IPART Draft Report, November 2018, p 2.
14 Red Energy submission to IPART Draft Report, November 2018, pp 1-2; AEC submission to IPART Draft Report, November 2018, p 2.
15 Vector submission to IPART Draft Report, November 2018, p 4.
16 NERR, version 16, November 2018, Part 7, Rule 124(1)(f).

Stakeholders strongly supported this recommendation, discussed their recent initiatives to improve their customer systems and expressed willingness to work with DPE to provide relevant information.[17]

Since publishing our Draft Report, the Department of Planning and Environment has updated its webpage, to include a link to a document about 'Installing a digital meter'. This document explains the steps the customers should take in common installation scenarios and contains answers to 'frequently asked questions'. We consider that this would be relevant and helpful to customers. However, the document is not easy to find through a search engine.

We note that some retailers already provide information on their websites, and some are in the process of developing their online capabilities, and we recommend that retailers continue to provide more detailed and readily accessible information to customers.

1.3 Stakeholder input to this review

As part of our review process we:

- published a Fact Sheet and sought submissions from stakeholders – we received 144 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
- published a Draft Report with our draft findings and recommendations for stakeholder feedback – we received 20 submissions
- consulted with a range of stakeholders, including retailers, Metering Coordinators and Providers, distributors, the Energy & Water Ombudsman of NSW (EWON), NSW Office of Fair Trading, Department of Planning and Environment and the National Electrical and Communications Association (NECA) to understand the issues that are causing delays and customer dissatisfaction, and discuss potential solutions, and
- undertook our own research and analysis to develop our final recommendations.

We submitted our Final Report to the Minister on 30 November 2018.

1.4 Structure of this report

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

- Chapter 2 discusses our findings about the number of digital meter requests since December 2017 and average installation times
- Chapter 3 discusses our findings and recommendation to address the restrictions on Metering Providers undertaking metering-related tasks

[17] EWON submission to IPART Draft Report, November 2018, p 2; PIAC submission to IPART Draft Report, November 2018, p 2; intelliHUB Group submission to IPART Draft Report, November 2018, p 2; Simply Energy submission to IPART Draft Report, November 2018, p 2.

- Chapter 4 discusses our findings on problems with coordination between metering parties
- Chapter 5 discusses our findings and recommendations to improve communication and information sharing between retailers, distributors, 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 findings

10 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. 46

1.6 List of recommendations

1 That subject to safety regulations, Metering Providers should be able to deploy the resources necessary to undertake all tasks associated with installing a meter, including: 22

- operate any service fuse carriers required to de-energise a site for a meter installation within the customer's electrical installation 22
- conduct live isolation work within the customer's electrical installation, where necessary 22
- install ripple control relay devices, where required, and 22
- provide planned interruption notices on the spot, and carry out retailer-planned interruptions to all affected parties. 22

2 That the Minister for Energy and Utilities proposes a rule change to permit retailer-planned interruptions to other retailers' customers to install a meter at multi-occupancy and shared fuse dwellings. 22

3 That retailers should include more detailed information about the process for applying for a meter, and the roles and responsibilities of all parties on their respective websites. 46

4 That the Department of Planning and Environment ensures that its information about installing a digital meter is easily found when searching the internet. 46

2 Retailers' metering practices have not delivered acceptable 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.[18]

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

2.1 Overview of our findings

We found that while the average time taken for new or replacement meters 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.

Since January 2018, EWON has received around 100 customer complaints a month about metering installation delays.[19]

Most stakeholders agreed with our findings.[20] The Housing Industry Association (HIA) stated that:

> Whilst we have seen some progress of late in getting new smart meters connected in a more timely fashion, many of our members in locations outside of Sydney are still facing substantial delays.[21]

Red Energy stated that:

> We consider that this will continue to improve, not only with the introduction of timing obligations into the national regulatory framework, but also as retailers and their metering service providers (collectively, the metering coordinator, metering data provider and metering provider) continue to find efficiencies in the installation of smart meters.[22]

18 These were made under section 234B of the National Energy Retail Law (NSW).
19 EWON submission to IPART Draft Report, November 2018, p 1; EWON submission to IPART Fact Sheet, August 2018, p 2.
20 Simply Energy submission to IPART Draft Report, November 2018, p 1; PIAC submission to IPART Draft Report, November 2018, p 2; HIA submission to IPART Draft Report, November 2018, p 1.
21 HIA submission to IPART Draft Report, November 2018, p 1.
22 Red Energy submission to IPART Draft Report, November 2018, p 1.

IPART 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 still 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**.**
- **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**.

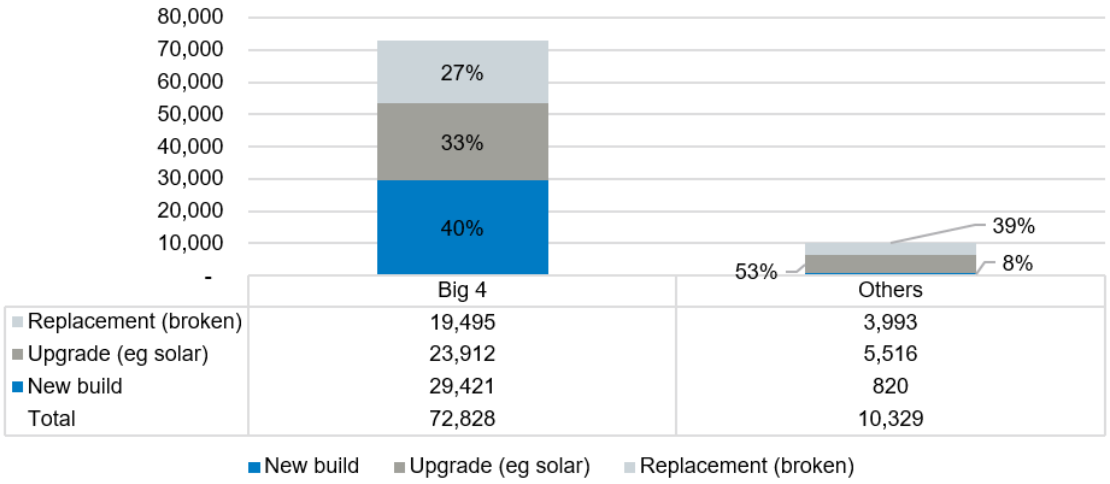
We note that data was provided inconsistently and in varying formats, and some retailers had records for only some of the data we requested. This limits comparing outcomes, however, we consider it is important to report on meter requests and average time taken to install meters. From 1 January 2019 retailers 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.[23] 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.

23 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.

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

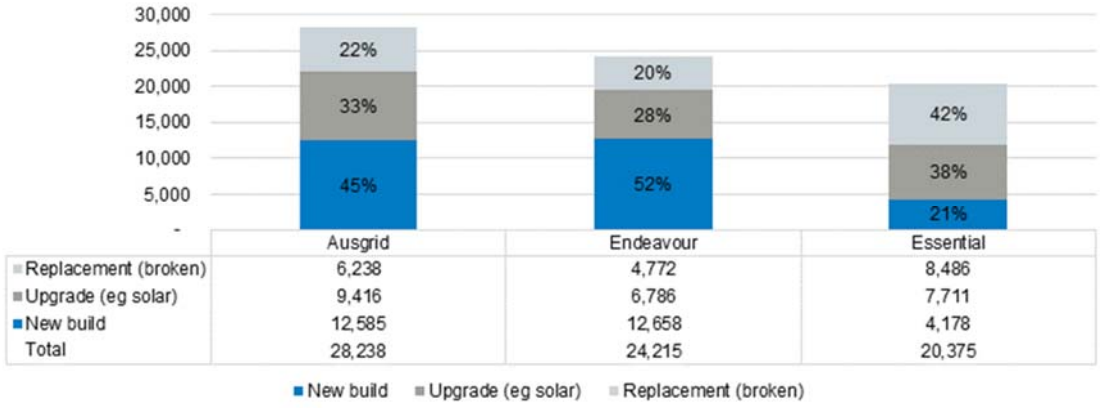


	Big 4	Others
Replacement (broken)	19,495	3,993
Upgrade (eg solar)	23,912	5,516
New build	29,421	820
Total	72,828	10,329

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

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

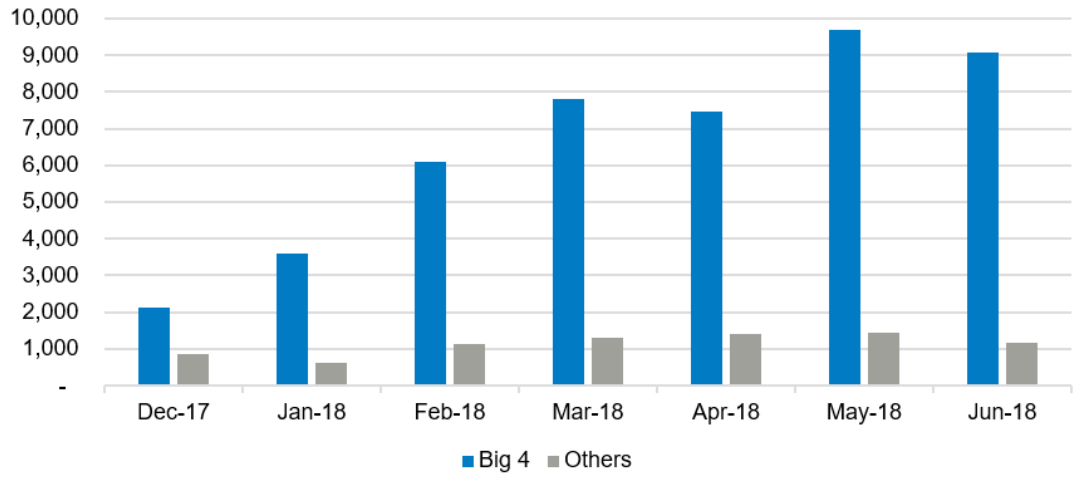


	Ausgrid	Endeavour	Essential
Replacement (broken)	6,238	4,772	8,486
Upgrade (eg solar)	9,416	6,786	7,711
New build	12,585	12,658	4,178
Total	28,238	24,215	20,375

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

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

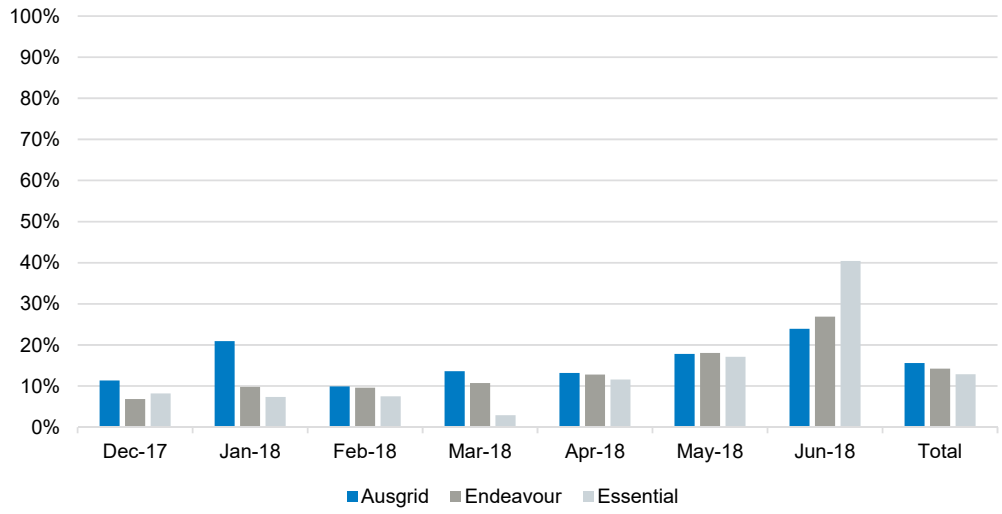
Figure 2.3 Digital meters installed each month (number)



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.[24]

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.

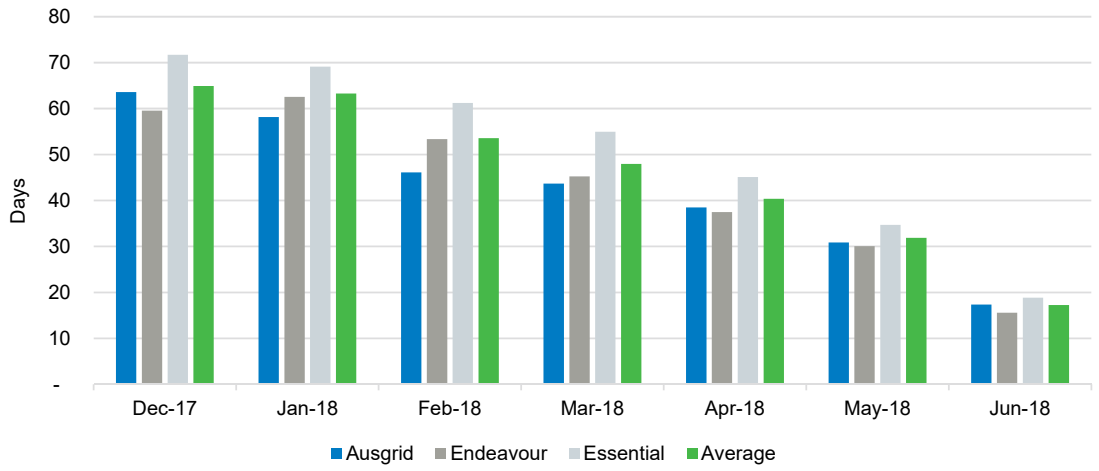
24 Due to inconsistencies in retailer reporting, the number of requests has been estimated from a combination of requests and service orders raised. Some requests may require multiple service orders to be created if the installation cannot be completed on the first site visit. In addition, retailers 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.

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.

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



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

Reasons for long installation times are many and varied

In response to our Draft Report, stakeholders reiterated that a number of issues that have been contributing delays including:

- no access to metering installation
- supply not connected on expected date
- electrical & other safety constraints, including asbestos, requiring additional works, not able to be completed at appointment time, and inclement weather
- customer refusal at time of metering installation
- customer requesting alternative date for metering installation
- remote locations of customer sites and potential incidents on route
- room on the existing switchboard, and
- inability to contact the customer.[25]

25 intelliHUB group submission to IPART Draft Report, November 2018, p 1.

Origin stated that:

> Some of the reasons for metering installation delays have been due to market participants adjusting to new service orders and timings, while other issues can be attributable to the new metering rules not providing retailers and customers with flexibility to manage planned interruptions and installation appointments. Historical but more cumbersome meter installation practices have also caused delays (examples include shared fuses, asbestos fuses and no isolation points).
>
> We also believe that the New South Wales specific restrictions on preventing Metering Providers from being able to undertake all works necessary for a meter installation has contributed to these delays.[26]

The AEC noted that:

> The introduction of competition in metering is the largest single change in electricity retailing since the introduction of full retail competition (FRC) itself, back in the early 2000s. And like the introduction of FRC, there have been some problems at go live.[27]

AGL acknowledged that:

> … there have been issues with rolling out metering since the commencement of Power of Choice in December 2017. AGL has worked with governments, regulators, metering co-ordinators and other stakeholders to improve systems and processes that have led to faster and more consistent meter installations for NSW residents in more recent times.[28]

EWON stated:

> The issues identified by IPART are consistent with the complaints received by EWON. Our customer complaints show delays that have financial impacts as well as causing significant inconvenience. They also identify poor communication both about the process and about the actual installation as a source of consumer frustration. This frustration is added to by problems and delays in direct communication with retailers.[29]

2.2.3 Number of complaints to EWON remains high

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.

Since the beginning of the year, EWON has received a growing number of complaints in relation to meter installation delays (Table 2.1). Since March 2018, this has remained constant at over 100 complaints a month. 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).

26 Origin Energy submission to IPART Draft Report, November 2018, p 1.
27 AEC submission to IPART Draft Report, November 2018, p 1.
28 AGL submission to IPART Draft Report, November 2018, p 1.
29 EWON submission to IPART Draft Report, November 2018, p 2.

Table 2.1 EWON digital meter complaints 2018

	All digital meter 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%
July	226	110	48.7%	32	14.2%
August	235	114	48.5%	31	13.2%
September	202	107	53.0%	32	15.8%

a Recalculated by IPART.

Source: EWON submission to IPART Fact Sheet, August 2018, p 2; EWON submission to IPART Draft Report, November 2018, p 1, and IPART analysis.

In its submission to our Draft Report, EWON stated that:

> The overall number of customers complaining about new connections, while decreasing slightly, remains high, and we are of the view that it is too early in the rollout to express a view that digital meter complaints are decreasing.[30]

EWON noted that customer complaints showed that these delays have financial impacts as well as causing significant inconvenience. Poor communication, both about the process and about the actual installation, was a source of consumer frustration, as well as delays and problems with direct communication with retailers.[31]

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 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.

30 EWON submission to IPART Draft Report, November 2018, p 1.
31 Ibid, p 2.

3 Remove restrictions on Metering 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 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. They cause repeat site visits and require greater coordination of multiple parties, some of which have no direct role in meter installations, and hence, little incentive to assist in a timely manner. This process has proven to be inefficient and detrimental to customer satisfaction.

Some of these issues would not be helped by the Australian Energy Market Commission's (AEMC's) draft rule determination on metering installation timeframes, because they are likely to constitute exceptions as 'electrical or other safety constraints', and 'where the metering installation is at a multi-occupancy site, where an interruption to the power supply would affect third party customers'.[32] This leaves the customer in a position where their retailer has no obligation to install a meter within a statutory timeframe, and the customer has little or no control over the circumstances causing the delay.

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

We consider that having one party, who is accredited and authorised to carry out all metering-related works (except in limited circumstances), would be more efficient. It would reduce the coordination effort, time taken and potentially, the overall cost for customers.

Currently, Level 2D Accredited Service Providers (ASPs) are qualified and authorised to carry out these tasks.[33] However, employing Level 2D ASPs for all metering jobs may be unnecessary for simple meter exchanges within the customer's electrical installation, and would increase the overall costs for retailers and customers. We consider that, subject to compliance with regulatory requirements and sufficient quality controls, Metering Providers should be able to train their workforce to undertake a broader range of metering-related tasks within the customer's electrical installation.

For multi-occupancy or shared fuse dwellings, we consider that Metering Providers should be permitted to issue Planned Interruption Notices (PINs) on site to all affected customers (where they can be identified), and carry out retailer planned interruptions to group supply, on behalf of the retailer, subject to existing obligations that apply to retailers regarding PINs and retailer-planned interruptions. This would avoid significant delays currently experienced by shared-fuse customers, who may have to wait more than five weeks for a distributor-planned interruption, at greater expense.

We recommend 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 within the customer's electrical installation,
- conduct live isolation work within the customer's electrical installation, where necessary,
- install ripple control relay devices, where required, and
- provide planned interruption notices on site, and carry out retailer planned interruptions to all affected parties.

We recommend that the Minister for Energy and Utilities proposes a rule change to the National Energy Retail Rules (NERR) to allow retailers to undertake retailer planned interruptions of other retailers' customers for the purpose of metering installations at multi-occupancy and shared fuse dwellings. This would also require changes to the Market Settlement and Transfer System (MSATS) business-to-business (B2B) reporting obligations to allow retailers to notify other retailers of planned interruptions, as well as distributors.

IPART 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 that may be required to install a customer's meter, which is inefficient and causes delays.

3 A Level 2 ASP accreditation may be an excessive requirement for certain metering works within the customers' electrical installation.

[33] Department of Planning and Environment, *Scheme Rules – Accreditation of providers of contestable services*, December 2017, p 10. A Level 2A accreditation may also be required to disconnect and reconnect overhead fuses.

4 The National Energy Retail Rules (NERR) restrict multi-occupancy and shared-fuse customers' from receiving meters in a timely manner. In particular, rule 59, which prevents retailers from interrupting supply to customers of other retailers.

Recommendations

1 That subject to safety regulations, Metering Providers should be able to deploy the resources necessary to undertake all tasks associated with installing a meter, including:

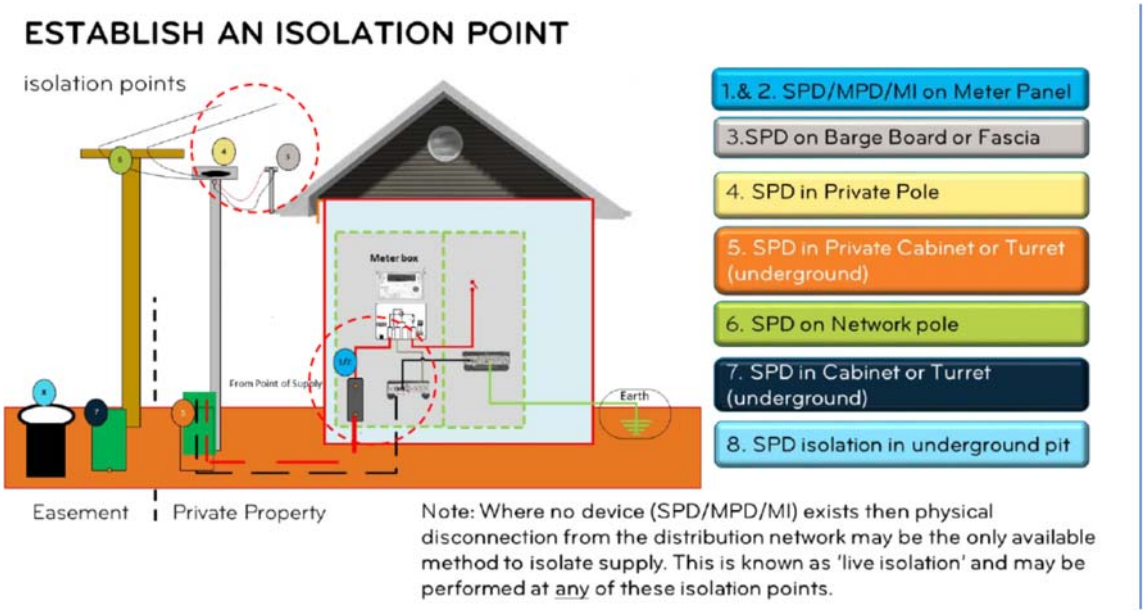
- operate any service fuse carriers required to de-energise a site for a meter installation within the customer's electrical installation
- conduct live isolation work within the customer's electrical installation, where necessary
- install ripple control relay devices, where required, and
- provide planned interruption notices on the spot, and carry out retailer-planned interruptions to all affected parties.

2 That the Minister for Energy and Utilities proposes a rule change to permit retailer-planned interruptions to other retailers' customers to install a meter at multi-occupancy and shared fuse dwellings.

3.2 De-energising service protection devices and live isolation work

Installing or exchanging a meter requires a series of associated electrical tasks. In particular, the electricity supply to the meter must be turned off (isolated) by removing the fuse at the connection or isolation point. Isolation points can 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. Other premises may have metering protection devices (MPDs), which are located on the meter panel. Figure 3.1 shows the possible isolation points at a customer's property.

Figure 3.1 The range of possible isolation points at a customer's property



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)[34], only metering technicians accredited under the NSW Government's ASP scheme 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)'.[35]

In certain, limited circumstances, such as on sites with no operable fuses, or where the fuse is unsafe to operate, it may be necessary to install a meter under a live isolation procedure. However, the *Workplace Health and Safety Regulation 2017 (NSW)* (WHS Regulation) prohibits live work on energised electricity equipment in NSW. In very limited circumstances, and provided that certain safety regulations are followed, ASPs (or other persons appointed by the electricity supply authority) are permitted to undertake this work.[36] The Code for safe installation prohibits Metering Providers from undertaking live isolation work.[37]

3.2.1 Isolation issues are a leading cause of metering installation delays

Throughout our review, stakeholders have told us that isolation issues are a primary concern and a substantial cause of customer delays.[38] In many cases, information asymmetries between distributors, customers and retailers mean that retailers and Metering Providers do not know the service fuse conditions before making a site visit. If the metering technician encounters a fuse they are not accredited to remove, this results in a failed meter installation

34 Established under the *Electricity Supply Act 1995* (ES Act), which expires on 31 May 2019.
35 NSW Department of Industry, Division of Resources and Energy, *Code for safe installation of direct-connected whole current electricity metering in NSW*, July 2016, clause 18(c).
36 WHS Regulation, clause 152.
37 NSW Department of Industry, Division of Resources and Energy, *Code for safe installation of direct-connected whole current electricity metering in NSW*, July 2016, clause 18(a).
38 See Appendix C.

attempt and a second site visit must be scheduled, which causes additional costs and delays for customers and metering parties.[39]

Stakeholders have told us that using ASPs to complete this task increases costs and is a significant contributor to metering delays.[40]

In our Draft Report, we considered that the limitations on non-ASP metering technicians under the Code for safe installation and WHS Regulation may be unnecessarily restricting trade to the detriment of customers.[41]

We considered that, subject to appropriate training and relevant safety regulations, Metering Providers should be permitted to operate any fuse required to de-energise a site to install a meter, and conduct live isolation work, in necessary circumstances. We noted that this would require a change to the Code for safe installation and WHS Regulation.[42]

We noted that metering technicians in other jurisdictions, such as Queensland and South Australia, can operate a broader range of fuses.[43]

3.2.2 Stakeholders mostly supported our draft recommendation to simplify the installation process, but had divergent views about how to implement it

In general, there was broad support for our draft recommendation to simplify regulatory arrangements and allow a single entity to take responsibility for all elements of the meter installation process.[44]

Endeavour Energy agreed that:

> …the installation process could be made more efficient by permitting MPs to perform additional metering activities. Specifically, removing the current restrictions on MPs operating service fuses and conducting live isolations for the purposes of installing a meter could be a workable and pragmatic solution that may avoid multiple site visits which create delays and contribute to current customer dissatisfaction.[45]

Simply Energy agreed with our draft recommendation to 'introduce a lower level accreditation for the ASPs (Authorised Service Providers) in order for them to undertake all tasks associated with installing a meter'.[46]

39 Energy Australia submission to IPART Fact Sheet, August 2018, p 2.
40 AEC submission to IPART Fact Sheet, July 2018, p 5; Energy Australia submission to IPART Fact Sheet, August 2018, p 2.
41 IPART, Retailers metering practices in NSW – Draft Report, October 2018, p 20.
42 Ibid, p 19.
43 IPART discussions with retailers and Metering Coordinators.
44 PIAC submission to IPART Draft Report, November 2018, p 1; EWON submission to IPART Draft Report, November 2018, p 2; Simply Energy submission to IPART Draft Report, November 2018, p 1; Red Energy submission to IPART Draft Report, p 1; AEC submission to IPART Draft Report, November 2018, p 2; Essential Energy submission to IPART Draft Report, November 2018, p 1; Origin submission to IPART Draft Report, November 2018, p 2; AGL submission to IPART's Draft Report, November 2018, p 2; intelliHUB Group submission to IPART Draft Report, November 2018, p 1.
45 Endeavour Energy submission to IPART Draft Report, November 2018, p 1.
46 Simply Energy submission to IPART Draft Report, November 2018, p 1.

Essential Energy supported our draft recommendations and noted that 'There is scope to streamline the process for customers and remove unnecessary costs and delays'.[47]

Vector considered that these restrictions are the result of pre-Power of Choice regulations that have not been updated to reflect the new arrangements in the National Electricity Market, as they were originally established to support providers of contestable *network* services, of which metering is no longer a part.[48] Vector stated that:

> As long as the technician has achieved the competency requirements, uses the correct tools and equipment, and has undertaken a comprehensive risk assessment, there should be no requirement to be an ASP to undertake the work.[49]

Origin strongly supported removal of these impediments and noted that:

> This will reduce installation times and costs by removing coordination of multiple parties around many site visits.[50]

However, stakeholders had mixed views about how to achieve this in practice.

Stakeholders expressed concern that allowing Metering Providers to de-energise service fuses and conduct live isolations may compromise safety and work quality

Stakeholders expressed concerns about safety. NECA stated:

> We are deeply concerned that creating a new 'lower level' accreditation would have serious safety implications for consumers and those doing metering work, and would further reduce safety standards that have already fallen since the introduction of Power of Choice.[51]

EWON stated that:

> Such an expansion of the work undertaken by Metering Providers will require careful consideration in the context of current NSW regulations, especially concerning safety.[52]

Ausgrid stated:

> Working on and near network assets has an inherent level of risk and this risk is minimised through the current ASP authorisation framework.[53]

Similarly, Endeavour stated that:

> It is imperative that any new arrangements seeking to improve metering practices do not compromise the safety of workers or the electrical integrity of the metering installation. To preserve safe work practices, it would be appropriate for MPs to attain safety and technical qualifications and authorisations commensurate with their metering work as a condition of their accreditation. This may require a level of training to demonstrate a level of competency equivalent to a Level 2 Authorised Service Provider (ASP).[54]

47 Essential Energy submission to IPART Draft Report, November 2018, p 1.
48 Vector submission to IPART Draft Report, November 2018, p 2.
49 Ibid.
50 Origin submission to IPART Draft Report, November 2018, p 2.
51 NECA submission to IPART Draft Report, November 2018, p 1.
52 EWON submission to IPART Draft Report, November 2018, p 2.
53 Ausgrid submission to IPART Draft Report, November 2018, p 3.
54 Endeavour Energy submission to IPART Draft Report, November 2018, p 1.

Endeavour also stated that 'clear boundaries of responsibility may need to be established to ensure parties other than the MP do not bear undue risk or are held liable in the event of an MP failing to properly fulfil their metering obligations'.[55]

We acknowledge and agree with stakeholders' concerns that any changes to the responsibilities of Metering Providers should not compromise safety. Our recommendation to allow Metering Providers to carry out these tasks is subject to complying with current safety regulations. That is, ensuring that technicians are appropriately trained, subject to quality assurance procedures, and observe all current safety regulations.

We consider what this would mean in practice in the sections below.

Metering Providers should have adequate training and be subject to safety and quality controls

NECA considered that the relevant training to be able to carry out service fuse and isolation work is equivalent to a Level 2D ASP.[56] NECA stated that:

> Under the current system, metering technicians are trained by MSPs. The training is not audited, MSPs are not RTOs with experience delivering training and subsequent installation work is rarely inspected. This is very dangerous and has inevitably led to a reduction in safety standards of metering work.57

NECA suggested that either the ASP scheme rules should be amended to give retailers and Metering Coordinators a similar role to that formerly held by distributors with regard to metering – or – equivalent training be provided by Registered Training Organisations (RTOs) and audited by the Australian Skills Quality Authority. However, NECA stated that 'Creating a new accreditation will take time and add further complexity and cost to a market that should be simplified.'[58] It noted that there is already a mobile workforce of around 1,400 Level 2 ASPs that can undertake this work.[59]

Alternatively, Vector submitted that Metering Providers should have flexibility to provide equivalent training to suit their own work systems and procedures. They stated that:

> The training developed and provided by Vector is based on the 'National Quality Framework, UEENEEG171A install, setup and commission interval metering' which is prescribed in the NSW Department of Industry 'Code for the Safe Installation of direct-connected whole current electricity metering in the NSW - 2016' under Part 15 of Schedule 6 of the Electricity Supply Act 1995. Vector requires all technicians to complete this training and be awarded a National Quality Framework Statement of Attainment.[60]

Vector states that its training approach is similar (but not the same) to the training that a distributor requires ASPs to undertake when ASPs request access to work on the distributor's network. However, ASPs require much greater training as a part of the ASP scheme than Meter Providers, with a broader range of pre-approved authority work.[61]

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55 Ibid, p 1.
56 NECA submission to IPART Draft Report, November 2018, p 2.
57 Ibid, p 1.
58 Ibid, p 2.
59 Ibid, p 3.
60 Vector submission to IPART Draft Report, November 2018, p 2.
61 Ibid, p 2.

Ausgrid noted that:

> The current ASP scheme and Ausgrid's ASP authorisation process provides a framework to allow ASPs to be trained and authorised to ensure a level of competency for workers when working on or near the network for contestable works. This includes assurance that workers are trained in the Ausgrid's Electrical Safety Rules (ESR) and other industry safety training…all work is required to comply with the Code, the Network Operator's ESR, and any associated training and authorisation frameworks.[62]

We consider that, subject to meeting standards and quality controls, Metering Providers should have flexibility to train their workforce to deliver metering outcomes

Since metering installations were carved out of the ASP scheme rules in 2017, Metering Providers have been responsible for training their technicians to install meters. As Vector noted in its submission, there is already a unit developed under the National Quality Framework that provides a standard for this training. Similarly, there are standard units of training for de-energising service fuses, performing live isolation work and associated safety training.

Metering Providers have obligations to ensure their workforce is qualified to complete work to the required standard and to comply with all relevant safety regulations. The Code for safe installation and NSW Office of Fair Trading (NSW OFT) provide quality assurance that training and work completed by Metering Providers (or technicians on behalf of Metering Providers) meets the these standards.

The Code for safe installation specifies that Metering Providers must include, in their safety management system, detailed information about training, assessments and record keeping, to ensure and demonstrate competency of each person engaged to carry out work (see Box 3.1). It specifies that Metering providers must use installing electricians that have '…competencies equal to or better than, the competencies required under the 'National Quality Framework…'[63]

The NSW OFT is responsible for the safety regulation of meters and related installation work under the *Gas and Electricity (Consumer Safety) Act 2017* and Regulation 2018.[64] Metering Providers must supply the NSW OFT with a copy of their safety management system, which specifies how it will follow the Code for the safe installation of electricity meters in NSW. The NSW OFT may ask the Metering Provider to make changes to the safety management system before it is accepted.

62 Ausgrid submission to IPART's Draft Report, November 2018, p 3.
63 Code for safe installation, clause 9.3.
64 https://www.fairtrading.nsw.gov.au/trades-and-businesses/business-essentials/information-for-specific-industries/smart-meter-providers, accessed 21 November 2018.

Box 3.1 Code for safe installation – training requirements

9.2 A safety management system must describe the training, assessments and record keeping that is being carried out to ensure and demonstrate competency of each person engaged to carry out work (including supervision of apprentices) for installation of advanced meters.

9.3 A metering provider must have installing electricians (or supervising installing electricians) with acceptable competencies equal to or better than, the competencies required under the 'National Quality Framework, UEENEEG171A install, setup and commission interval metering'.

9.4 A safety management system must address, as a minimum, the following training outcomes:

a) preparing a safe worksite.

b) identifying sources of supply.

c) disconnection of supply and establishing a safe work area including securing of the worksite.

d) keeping the installer safe during work.

e) safely re-energising an installation.

f) maintaining safety of an installation, its users and the public as a result of the work.

g) testing and proving safe outcomes in accordance with relevant regulatory requirements.

Source: NSW Department of Industry, Division of Resources and Energy, *Code for safe installation of direct-connected whole current electricity metering in NSW*, July 2018, p 4.

In addition to ensuring Metering Providers' safety management systems comply with the Code for safe installation, the NSW OFT conducts field-based inspections of installation work. These are informed by smart meter Certificates of Compliance for Electrical Work (CCEW) (submitted after every installation), intelligence or customer feedback.[65] Substantial penalties apply (up to $550,000) for failure to carry out electrical installation work in accordance with the technical standards set out in the Regulation. These standards are the Australia/New Zealand wiring rules and the NSW Service and Installation Rules.[66]

Finally, distributors would need to be satisfied that training provided by Metering Providers is equivalent to that provided by RTOs under the ASP scheme, so as not to increase risks to the network.

We consider that if training meets the relevant quality standards, and installations are subject to random audits to ensure they comply with safety standards, then Metering Providers should have flexibility to decide how to train their technicians.

We note that most Metering Providers are not currently RTOs, and other Metering Providers and distributors may not recognise and accredit training undertaken by technicians directly through a Metering Provider. We consider that it would be up to the electrician to decide

65 See https://www.fairtrading.nsw.gov.au/trades-and-businesses/business-essentials/information-for-specific-industries/smart-meter-providers, accessed 28 November 2018.

66 See https://www.fairtrading.nsw.gov.au/trades-and-businesses/construction-and-trade-essentials/electricians/electrical-compliance-requirements, accessed 28 November 2018.

whether to complete this training to install meters for one Metering Provider only, or if they want a more broadly recognised accreditation to do other network-related work.

Metering Providers should be subject to the same regulations and safety standards as ASPs in the limited circumstances where they may need to conduct a live isolation

Stakeholders were cautious about allowing Metering Providers to undertake live isolation work. For example, Ausgrid noted that:

> Consideration for the principles of So Far As Is Reasonably Practicable (SFAIRP) is required in any risk assessment as outlined in the WHS Regulation 2017…If working on customer installations that are energised and within an earthed environment, control of the risks for live work should be managed to SFAIRP.[67]

Ausgrid also stated that:

> If the draft recommendation to change relevant safety regulations is undertaken, clear responsibility for an auditing and compliance framework will need to be established to ensure consistency and compliance to these requirements by Metering providers.[68]

Vector suggested an amendment to the WHS Regulation to provide a similar exemption for Metering Providers that already applies to ASPs: Vector agreed that, to undertake this work, Metering Providers must be subject to training and must comply with relevant health and safety regulations.[69]

We consider that any technician installing meters would have to observe all relevant regulations and safety standards, including the stringent conditions applying to live work in the WHS Regulation. The WHS Regulation requires that any live work should be carried out by a competent person who has tools, testing equipment, and personal protective equipment that are suitable for the work. Equipment must be properly tested, maintained in good working order, and in accordance with a safe work method statement prepared for the work. Both individual and corporate penalties apply for not working in accordance with the WHS Regulation.[70]

We consider that these conditions should apply whether the competent person is an appropriately qualified electrician working on behalf of the Metering Provider, or the distributor. We do not propose any other changes to the safety requirements in the WHS Regulation or Code for safe installation.

Electrical work undertaken on the distribution network should meet the distributor's training and authorisation requirements

In its submission, Ausgrid stated that it considers there is:

> …potential scope to allow the operation of Service Protection Devices in situations 1-5 (on customer premises) in [Figure 3.1] if supported by appropriate training and regulation. However, Ausgrid opposes the operation by Metering Providers of Service Protective Devices in situations 6-8 in [Figure 3.1], and notes that this work should be in accordance with all the Network Operators requirements including [electrical safety rules], training and authorisations.

67 Ausgrid submission to IPART Draft Report, November 2018, p 5.
68 Ibid.
69 Vector submission to IPART Draft Report, November 2018, p 3.
70 *Workplace Health and Safety Regulation 2017*, Division 4, clause 161(1) and (2).

> By restricting the application of operating fuses on Network Operator assets, including those installed on poles or within cabinets, turrets or underground pits, exposure to both operational and safety risks will be mitigated, This includes risks associated with the inadvertent operation of Network Operator equipment resulting in the unintended interruption to supply for other customers, potentially including life support customers.[71]

We accept that working directly on the distribution network may pose risks to other network assets and customers (including life support customers). We consider that Metering Providers should have to satisfy the distributor's electrical safety rules, training and authorisations in order to undertake this work. For this reason, we accept that there may be selected service fuses (such as those labelled six to eight in Figure 3.1) that may require an ASP to operate.

We propose to amend our recommendation, 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 *within the customer's electrical installation, and*
- conduct live isolation work, *within the customer's electrical installation,* where necessary.

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

In our Draft Report, we noted that 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.[72] Currently, only ASPs are permitted to install this device as it forms part of a distributor's service equipment.[73]

We considered 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.[74]

We made a draft recommendation that subject to training and observation of relevant safety regulations, Metering Providers should be able to install ripple control relay devices, if appropriate.[75]

Most stakeholders supported our draft recommendation, although Vector noted that:

71 Ausgrid submission to IPART Draft Report, November 2018, p 4.
72 IPART, Retailers metering practices in NSW – Draft Report, October 2018, p 20.
73 Discussions with Essential Energy and IPART, September 2018.
74 ibid.
75 IPART, Retailers metering practices in NSW – Draft Report, October 2018, p 20.

> Given that parallel functionality for ripple control is now available from the advanced meter, it appears that the continued rollout of ripple control devices (that are not part of the meter) may become redundant over time.[76]

Vector suggested that:

> …IPART review the requirement by DNSPs for customers to install these devices, noting that two of the three DNSPs in NSW no longer require these devices and instead rely on the switching capability embedded in advanced meters.[77]

Essential Energy submitted that it has a large number of controlled load customers on its network, because many customers have not historically had access to reticulated gas infrastructure for domestic water heating, among other reasons. Essential Energy prefers to continue to use its platform for controlling load on the network to provide flexibility and avoid unnecessary expenditure.[78]

Essential Energy also submitted that:

> As long as the party installing these devices is appropriately qualified, trained and subject to appropriate safety standards we are indifferent to whether this party is an ASP or a Metering Provider.[79]

Further, Essential Energy noted that it was confident that the current process of providing controlled load devices to ASPs could be extended to include Metering Providers, where necessary.[80]

We note that Essential Energy supports Meter Providers installing ripple devices, making it cheaper and easier for retailers. Essential Energy also expressed their willingness to work with Metering Providers to provide these devices in a timely manner, where necessary. As such, we propose to maintain our recommendation that subject to safety regulations, Metering Providers should be allowed to install ripple load control devices, where required.

3.4 Notifying affected parties of retailer planned interruptions to supply

Under the National Energy Retail Rules (NERR)[81], retailers must notify affected customers of a planned interruption to supply at least four business days before the date of the interruption. In our Draft Report, we noted that 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.[82]

76 Vector submission to IPART Draft Report, November 2018, p 4.
77 Ibid.
78 Essential Energy submission to IPART Draft Report, November 2018, p 2
79 Ibid, p 2.
80 Ibid, p 2.
81 National Energy Retail Rules, version 16, November 2018, clauses 59(c)(2) and 59(c)(4).
82 IPART, *Retailers metering practices in NSW – Draft Report*, October 2018, p 22.

3.4.1 Retailer planned interruptions to single fuse customers

Notifying customers of a supply interruption is an important consumer protection under the NERR, particularly for life support customers.[83] However, the lack of flexibility around the four-day rule has caused delays for some customers (including life support customers).

In its draft rule determination, the AEMC allows customers (including life support customers) and retailers to agree a date for a second visit, with the 4-day rule as a safety net. This would provide customers with greater flexibility and control over the timing of planned interruptions, and may reduce instances of meter installation delays.[84]

We support the AEMC's proposal to allow greater flexibility for retailers to negotiate a date for the installation, and consider that this will reduce delays for single fuse customers. AGL and PIAC also supported this proposal in submissions to our review.[85]

In our Draft Report, we made a draft recommendation to allow Meter Providers to provide planned interruption notices (PINs) to customers on the spot, to reduce time delays associated with coordinating with retailers and Meter Coordinators to issue the notice.[86]

Vector stated that it would:

> …support allowing Metering Providers to provide Planned Interruption Notices on the spot only where they are also allowed to do the interruption.[87]

This is in the instance that the customer is a single fuse customer. However, this would not reduce delays where the customer is on a shared fuse, because retailers are not permitted to interrupt supply to other retailers' customers.

3.4.2 Retailer planned interruptions of shared fuse customers

Throughout this review, we have heard from stakeholders that the additional time taken for retailers and Metering Coordinators to coordinate a distributor-led interruption for multi-occupancy and shared fuse premises is causing unnecessary delays.[88] Previously, distributors could notify all customers on a shared fuse of a pending outage, and perform the supply interruption. However, retailers cannot do this when some of these are the customers of another retailer.

In our Draft Report, we considered 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.[89] That is, the metering technician could leave written notices advising of the interruption to affected customers at the affected addresses, and the retailer

83 That is, customers that use life support equipment, which relies on a reliable electrical supply, such as oxygen concentrator, dialysis machine, chronic positive airways pressure respirator, Crigler Najjar syndrome phototherapy equipment or ventilator (see NERR, Division 1, section 3, definitions).
84 AEMC, *Metering installation timeframes, Draft rule determination*, September 2018, p viii.
85 AGL submission to IPART Draft Report, November 2018, p 1; PIAC submission to IPART Draft Report, November 2018, p 1.
86 IPART, *Retailers metering practices in NSW – Draft Report*, October 2018, p 19.
87 Vector submission to IPART Draft Report, November 2018, p 4.
88 See Appendix C.
89 IPART, *Retailers metering practices in NSW – Draft Report*, October 2018, p 22.

could advise the distributor through the B2B e-hub communication system. This would reduce some of the coordination inefficiency in engaging the distributor to do this.

We also suggested that the AEMC could include a binding timeframe for multi-occupancies in its rule determination, and that earlier identification of shared fuses could help (discussed in Chapter 4).[90]

Stakeholders expressed concerns about risks for life support customers

Red Energy expressed concern with any change that allows a metering service provider to interrupt the supply of electricity to a customer's premise without authorisation from that customer's existing retailer, stating that:

> …retailers and distributors have obligations to share information about customer life support requirements reliant on the use of electricity. There are no equivalent obligations on metering service providers. We are concerned, given the lack of information available to metering service providers, that they may interrupt electricity supply to a life support customer. This is particularly likely to be the case in a shared fuse situation.[91]

The Australian Energy Council (AEC) stated that:

> there are particular risks associated with this practice in terms of life support customers may not be known to MCs or their subcontractors where they are customers that they intend to disconnect that are not identified in the service order that they have been requested to complete.[92]

However, Origin Energy noted that:

> …all potential rule changes still need to adhere to the National Energy Retail Rules. For example, under Rule 124(1)(f) the retailer must give a customer with life support requirements a 4 business day written notice period for a planned interruption to supply at the premises. This responsibility must also be respected by parties that are involved in a meter exchange or installation.[93]

Life support customers would maintain the same level of protection under our recommendation

The NERR contains a number of retailer and distributor obligations designed to protect life support customers.[94] When a premises is first registered as having life support equipment, distributors must give the customer:

> (i) general advice that there may be a distributor planned interruption or unplanned interruption to the supply at the address; and
>
> (ii) information to assist the customer to prepare a plan of action in case of an unplanned interruption; and
>
> (iii) an emergency telephone contact number for the distributor (the charge for which is no more than the cost of a local call);[95]

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90 Ibid, p 22.
91 Red Energy submission to IPART Draft Report, November 2018, pp 1-2.
92 AEC submission to IPART Draft Report, November 2018, p 2.
93 Origin submission to IPART Draft Report, November 2018, p 3.
94 We note that a new rule strengthening protections for life support customers will come into force on 1 February 2019. The new rule doesn't change the retailer's obligations around PINs for life support customers. See https://www.aemc.gov.au/rule-changes/strengthening-protections-for-customers-requiring, accessed 19 November 2018.
95 NERR, version 16, 15 November 2018, Part 7, Rule 125(2)(e)

The retailer must provide the customer with:

> (i) an emergency telephone contact number for the distributor (the charge for which is no more than the cost of a local call); and
>
> (ii) general advice that there may be a retailer planned interruption to the supply at the address;[96]

In relation to retailer-planned interruptions, there is little difference in the retailer's obligations to life support and other customers, except that the retailer must:

> …give the customer at least 4 business days written notice of the retailer planned interruption to supply at the premises (the 4 business days to be counted from, but not including, the date of receipt of the notice).[97] (Emphasis added)

The wording of the rule effectively gives life support customers an extra day's notice to ensure that they receive the notice and make appropriate arrangements as pre-determined with the retailer or distributor.

We consider that if the Metering Provider was to give at least four business days' notice, not including the date of receipt of the notice, then life support customers would be no worse off under our recommendation. The PIN should specify the same information as required currently by the NERR for all customers – that is, it must:

- specify the exact date, time and duration of the retailer planned interruption
- include a 24 hour telephone number for enquiries (the charge for which is no more than the cost of a local phone call), and
- include a statement that any enquiries regarding the retailer planned interruption are to be directed to the retailer.[98]

To ensure retailers are aware of other planned interruptions it would be necessary to have a provision in the B2B system where retailers can provide advance notice of retailer-planned interruptions to other retailers. This means that if a customer calls their own retailer, the retailer could look up and provide details of the PIN.

Stakeholders noted that restrictions in the NERR prohibit retailers from interrupting other parties' electricity supply

Vector stated that it did not believe our draft recommendation would achieve the desired outcome because:

> Under the Retailer Planned Interruption notification obligations in the National Energy Retail Rules, the notice must advise the customer of the expected date, time, and duration of the interruption. The Metering Provider at the site will have no visibility of the date the DNSP is scheduled the do the job, and therefore will not be able to provide this information in the notice to the customer.[99]

Simply Energy expressed the view that:

96 NERR, version 16, 15 November 2018, Part 7, Rule 124(1)(c)
97 NERR, version 16, 15 November 2018, Part 7, Rule 124(1)(f)
98 NERR, Division 9A, Rule 59C(4).
99 Vector submission to IPART Draft Report, November 2018, p 4.

…the co-ordination of works is best placed with the distributor, as also proposed in the AEMC draft rules.[100]

We note that rule 59B of the NERR specifically prohibits a retailer from interrupting the supply of another retailer's customer:

Retailer planned interruption means an interruption of the supply of electricity to a customer that:

(a) is for the purposes of installing, maintaining, repairing or replacing an electricity meter; and

(b) does not involve either:

(i) the distributor effecting the interruption under rule 89; or

(ii) interrupting the supply of electricity to a customer who is not the customer of the retailer arranging the interruption; and (Emphasis added)

(c) is not a distributor planned interruption.[101]

Instead, the retailer must raise a service order for the distributor to carry out a 'Temporary Isolation – Group Supply', which is a commercial transaction between the retailer and the distributor. The distributor generally requires at least 25 business days' lead time to schedule this work. This may include a site visit to the customer's premises for the purpose of identifying and notifying impacted customers, as well as a second visit to de-energise the site. The distributor may cancel or reschedule if it cannot resource the request. The distributor may only notify the customer of the interruption undertaken by them to install a meter protection device. The retailer must notify the customer of the retailer-planned interruption to install and commission the meter.[102]

Based on submissions and our discussions with stakeholders, we consider that involving the distributor in temporary supply interruptions to multi-occupancy and shared fuse sites is causing substantial metering delays for those customers. While commercial arrangements exist through the B2B site to engage the distributor to perform group supply interruptions, these generally take longer and cost more than for single fuse customers. In addition, distributors do not have strong incentives to share information about shared fuse locations or cooperate with retailers to enact these transactions efficiently (discussed in Chapter 4).

We recommend a rule change to the NERR to allow retailers to interrupt supply to all affected parties to install a meter

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.[103]

The Australian Energy Council (AEC) suggests that this problem would be best dealt with as part of a more detailed regulatory model that addresses:

- the responsible coordinating body
- the notifiable parties

100 Simply Energy submission to IPART Draft Report, November 2018, p 1.
101 NERR, Division 9A, Rule 59B.
102 IPART discussions with distributors, retailers and Metering Coordinators.
103 Discussions with the AEMC and retailers.

- their responsibilities
- notice or communication requirements
- form of the notice or communication to use and take
- feedback loops, and
- cost recovery.[104]

However, to date, metering parties have not proposed a workable solution. This may be because:

- this issue is an exception to the AEMC's draft rule determination and so no mandatory timeframes would apply to meter installations at multi-occupancy and shared fuse dwellings, and
- distributors have no direct responsibility for meter installations and have limited obligations under the NERR to use their 'best endeavours' to provide 'reasonable assistance' to retailers in carrying out their roles.

The current arrangements of coordinating a distributor-led interruption for multi-occupancies and shared fuse dwellings has proven to be inefficient and detrimental to customer satisfaction, with customers having to wait more than five weeks to have their meter installed. Continued inaction leaves customers in a vulnerable position, where their retailer has no obligation to install a meter within a mandated timeframe, and they have little or no control over the circumstances causing the delay.

In the absence of a timely, commercial-based solution from metering parties, and the application of a mandatory timeframe to multi-occupancy and shared fuse installations, we consider that:

- retailers should be able to carry out retailer-planned interruptions at multi-occupancy and shared fuse sites, and
- Metering Providers should be able to issue PINs to all affected parties (if they can be identified) on site in accordance with current PIN requirements for life support customers.

We note that this would require a change to the NERR, specifically to rule 59B, and possibly a new rule, to allow retailers to interrupt supply for other retailers' customers at multi-occupancies to install a meter.

We are making a new recommendation that the Minister for Energy and Utilities should propose a rule change to permit retailer-planned interruptions for customers of other retailers to install a meter. This would also require changes to B2B reporting obligations to allow retailers to notify other retailers of planned interruptions.

104 AEC submission to IPART Draft Report, November 2018, p 2.

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 (PINs) 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, introduced in December 2017, 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 to coordinate between metering parties contributes to delays in meter installations.

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

4.1 Overview of our findings

We have identified a number of areas 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 and/or liaison between retailer and customer to solve the problem
- in some cases the meter board is locked or access is otherwise restricted
- distributors are not sharing relevant metering-related information with retailers
- each Metering Coordinator has its own training requirements that ASPs and technicians must complete before they are allocated metering work, and
- repetitive and inefficient reporting requirements.

Recommendation 1 (see Chapter 3) would streamline the meter installation process and make it more efficient by reducing the need for some existing coordination. The AEMC's draft rule determination would also provide an incentive for retailers to coordinate more effectively to meet timeframes in most instances.

However, retailers, distributors and other metering parties could take a number of actions to improve communication and coordination. We have suggested areas that retailers, distributors and other metering parties can continue to improve, but 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 findings

5 That retailers, distributors, 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.

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

7 That there are opportunities to streamline and improve communication through the B2B system.

8 That distributor's 'best endeavours' to provide 'reasonable assistance' to retailers under the NERR have not been adequate to ensure coordination and timely meter installation.

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 they need to rectify before installing the meter. 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[105]
- there is an existing electrical defect that requires rectification before work can proceed safely,[106] and
- the meter board is unsafe, eg, contains asbestos.[107]

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,[108]
- 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. Customers may also 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 some of these issues may be the responsibility of the customer to resolve, we consider that placing additional regulatory obligations on the retailer or Metering Coordinator may not improve delays.

105 Energy Australia submission to IPART Fact Sheet, August 2018, p 3; EWON submission to IPART Fact Sheet, August 2018, p 3.
106 Ibid; NECA submission to IPART Fact Sheet, August 2018, p 7.
107 Ibid.
108 NECA submission to IPART Fact Sheet, August 2018, p 7.

In our Draft Report, we noted that 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
- explain to the customer upfront about what their obligations are to prepare the meter board for the meter installation.[109]

In response to our information request, retailers told us about some of the actions they were 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.[110]

In response to our Draft Report, Red Energy stated that:

> While this is a prudent suggestion, many customers do not know where their meter board is, let alone what to advise their retailer (no matter how detailed the questioning may be) whether the meter board is safe.[111]

Red Energy recommended that:

> …one mechanism to improve the customer experience in this regard is for the distributors to provide information.[112]

Origin stated that:

> …the communication with the customer can assist in resolving access issues before the technician arrives at site. We believe the suggestions raised by IPART are constructive and we will be reviewing the content of our communications with our customers to better capture these issues.[113]

However, Ausgrid noted that:

> In general, DNSPs do not have records relating to information on customer installations recorded in their systems. Therefore, any change to incentivise DNSPs to share this information is unlikely to achieve the stated aims.[114]

We note that distributors may not record and maintain records of customer meter conditions, particularly if they have not worked on a customer installation recently, or because they have no reason to record the information. We consider that while customers may not always know their metering circumstances, it is preferable that retailers consult them in the first instance,

109 IPART, *Retailers metering practices in NSW – Draft Report*, October 2018, pp 24-25.
110 Retailers' information returns to IPART.
111 Red Energy submission to IPART Draft Report, November 2018, p 2.
112 Ibid.
113 Origin submission to IPART Draft Report, November 2018, p 3.
114 Ausgrid submission to IPART Draft Report, November 2018, p 5.

and make them aware of their obligations and the Metering Coordinator's limitations in relation to potential meter board or wiring problems.

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.[115] 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 distributor's master keys can 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 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 exceed the cost of simply removing and replacing the lock by agreement with the customer.[116]

In our Draft Report, we considered that it was reasonable for distributors to restrict access to their master keys, as they have a contractual obligation to keep their customers' utility boards secure. We considered 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.[117]

4.3.1 We consider that responsibility for access should be negotiated between retailers and customers

While stakeholders generally accepted that more could be done to ascertain meter conditions from the customer at the point of initiating a meter request, they reiterated that it remained a concern. For example, Vector submitted that while it recognised IPART's decision and reasons not to make draft recommendations on access to locked meter boards, this remained a significant concern for them.[118] Vector stated that it was:

115 Energy Australia submission to IPART Fact Sheet, August 2018, p 3; AEC submission to IPART Fact Sheet, July 2018, p 2.
116 Discussions with Essential Energy and IPART Secretariat, September 2018;
117 IPART, Retailers metering practices in NSW – Draft Report, October 2018, p 25.
118 Vector submission to IPART Draft Report, November 2018, p 4.

> …considering how current arrangements may be improved to address this matter without imposing significant additional costs on metering market participants and their customers. This could be in the form of new industry/commercial arrangements and/or proposed changes to regulations.[119]

Origin suggested that:

> …an alternative would be for distributors to propose an acceptable process from their perspective for either transferring custodianship of the master key to MCs or for the removal of these keys from meter enclosures. This could be articulated in an industry master lock scheme.[120]

However, in contrast, Ausgrid stated that:

> It is inappropriate for Ausgrid to give metering providers access to master keys for customer sites where individual metering providers may or may not have assets. It is appropriate that metering providers or retailers negotiate directly with those customers for access as required.[121]

On balance, we maintain our view that retailers should negotiate access with customers. This is likely to be the quickest and most cost effective solution, because it would take longer and cost more for distributors to attend the site to provide access. We accept distributors' reasons for not providing master keys, as they have a responsibility to secure customers' metering assets.

However, we consider that distributors could provide better information about locked meter boxes and any other known issues (see section 4.5 below).

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

Under schedule 7.4 of the National Electricity Rules (NER), AEMO is responsible for accrediting and registering Metering Providers and determining their eligibility under a qualification process established by AEMO.[122]

However, stakeholders advised us that each Metering Provider has its own training and accreditation process that is unique for installing its own specific type of meter.[123] Many stakeholders told us that completing the training for multiple Metering Providers, in order to have good coverage of the network, is expensive, time-consuming and repetitive.[124] It can also contribute to delays resulting from shortages of technicians in regional areas, where courses are infrequent or providers have to travel to metropolitan locations at their own expense.[125]

In our Draft Report, we noted 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.[126] However, we considered that the

119 Ibid, p 5.
120 Origin submission to IPART Draft Report, November 2018, p 3.
121 Ausgrid submission to IPART Draft Report, November 2018, p 6.
122 NER, Schedule 7.
123 See Appendix C.
124 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.
125 HIA submission to IPART Fact Sheet, August 2018, p 5.
126 IPART, *Retailers metering practices in NSW – Draft Report*, October 2018, p 26.

AEMC's draft rule determination would provide an incentive for Metering Providers to streamline training requirements, to expand their workforce, particularly in regional areas. As such, we did not making any draft recommendations.[127]

Vector did not agree with our draft finding and submitted that:

> As a Metering Coordinator, we ensure that the ASPs and technicians we engage undertake comprehensive training in Vector's systems and processes relating to the installation of advanced meters (including health and safety). As these systems and processes are unique to Vector, we therefore require each technician to achieve a level of proficiency to ensure that quality and safety are maintained before the technician is authorised to install advanced meters under Vector's Metering Provider accreditation.[128]

Metering Providers are ultimately responsible for the metering work that technicians carry out and, as such, want to maintain control over training[129] We consider that this is a matter of contractual negotiation between the metering parties.

We consider that the AEMC's rule determination would also provide an incentive for Metering Providers to ensure that they have adequate resources to meet timeframes. This includes offering training solutions to optimise their workforce.

While we note that ASPs' experiences' to date with undertaking Metering Providers' training has been repetitive and costly, they can choose which Metering Providers they work for, or undertake other work for the networks. If Metering Providers find that they are not able to employ enough skilled technicians to meet their targets, they would have to adjust their training program to optimise their workforce accordingly.

4.5 B2B information sharing and reporting could be improved

In our Draft Report, we noted that distributors and other retailers have reduced incentives to record or share information about service fuse or meter board conditions. This may result in multiple visits to install or repair a meter and increase the costs of switching retailer for customers.[130]

We noted that one option could be to require Metering Providers 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, we noted that the benefits of this option may not exceed the additional regulatory burden it imposes on metering parties and requested stakeholder feedback on this issue.[131]

In response to our Draft Report, Red Energy requested greater consistency, information sharing and cooperation from distributors on a number of issues. Red Energy noted that:

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127 Ibid.
128 Vector submission to IPART Draft Report, November 2018, p 1.
129 As noted in Chapter 3, Metering Providers have statutory obligations to ensure the safety and quality of work carried out by their metering technicians, and face penalties for not doing so.
130 IPART, *Retailers metering practices in NSW – Draft Report*, October 2018, p 22.
131 Ibid.

> …there is an information asymmetry in the sharing of information by distributors as to the location of shared fuses. There would be immense customer service and efficiency gains, should distributors publish locational information of shared fuses.
>
> However, to date, there has been no moves for this information to be made available to retailers or their metering service providers until a meter exchange has been attempted and failed. This creates inefficient costs and extenuates consumer discontent with what is a seemingly simple meter exchange process.[132]

Red Energy also noted that distributors should have the ability to record this information through their meter readers, and share it through the MSATS B2B system. Distributors could also provider information on whether keys are required for a locked meter box. Currently, there is provision in MSATS for this information to be shared, but it is not mandatory.[133]

Red Energy also expressed concern that:

> …there are inconsistent approaches in distributor processes (as example) on how to connect a new connection to the network. These variances in connection processes creates unnecessary confusion.[134]

Origin noted that further reduction in installation times and cost could also be achieved if the NSW networks could provide Metering Providers relevant connection information such as which NMI's are connected to which fuses, the location of Plug In meter type, and information on shared fuse sites so that a single coordinated visit could have multiple exchanges occur.[135]

However, it also noted that:

> …two NSW networks…cannot identify Plug In meters in MSATS or their own systems making the first visit to a site potentially inefficient to install such a meter.[136]

And submitted that:

> The lack of information available to a Meter Provider as to what is installed and managed by the network prior means that such additional time is incurred, and the costs associated will flow through to customers. Origin believes customers should not incur costs for this restriction in the market. Networks need to continue to make all information associated with the metering and site available, to contribute to a more efficient meter exchange.[137]

There are currently provisions in the NERR for distributors to use 'best endeavours' to provide 'reasonable assistance' to retailers in carrying out their respective roles.[138] Distributors have no direct role in installing customer-requested meters and as such, they have no obligation to collect, record and report information about meter board and fuse conditions. Further, they are not compensated for this time and effort.

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132 Red Energy submission to IPART Draft Report, November 2018, p 2.
133 Ibid.
134 Ibid, p 3.
135 Origin submission to IPART Draft Report, November 2018, p 2.
136 Ibid.
137 Ibid.
138 Rule 94 of the NERR requires retailers and distributors to use 'best endeavours' to provide 'reasonable assistance' to each other, including 'make available to the other at no cost and in a timely manner information or documentation that the other reasonably requires to carry out its obligations under the Law, the Regulations, these Rules and the Retail Market Procedures'. See NERR, version 16, November 2018, Rule 94.

On balance, we consider that this issue would be best resolved through commercial arrangements between retailers and distributors. However, we note that distributors have reduced incentives to negotiate an outcome, as they are not subject to any regulatory requirements beyond 'best endeavours'. If suitable commercial arrangements cannot resolve these information asymmetry issues and retailers consider that it puts them at risk of not meeting their statutory timeframes, they may wish to consider proposing a rule change to require distributors to provide more information or assistance.

4.5.1 Other B2B improvements could assist coordination between parties

In our Draft Report, we noted that 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.[139]

Under current communication procedures, the roles of Metering Coordinator, Metering Provider and Metering Data Provider are appointed sequentially and the B2B e-hub contains mandatory objection periods of one day whenever a change request is initiated, which can cause unnecessary delays.[140]

We noted 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.[141]

In its submission to our Draft Report, intelliHUB Group expressed some concerns about streamlining the appointment of metering parties, stating that:

> This proposal does not allow the newly nominated MC an opportunity to object/decline when incorrectly selected by the FRMP. It is understood that MSATS has a reversal process but this is often very time consuming and can involve numerous phone calls and emails to resolve, adding further delay.[142]

Simply Energy agreed that communication through the B2B e-hub should be streamlined as '…requirements to communicate outside the B2B e-hub may cause issues, due to the existence of service provisions under the ASP scheme…'.[143] Simply Energy noted that a number of transactions could not be processed through the B2B system because works are carried out by ASPs, rather than distributors, who are not market participants. This leads to '…another gap in procedural requirements, as retailers are unaware of the end-to-end lifecycle of the metering installation process'.[144]

The AEMC is currently considering these matters as part of its review of metering installation timeframes. In its draft rule determination, the AEMC did not include a requirement for

139 IPART, Retailers metering practices in NSW – Draft Report, October 2018, p 26.
140 AEC submission to IPART Fact Sheet, August 2018, p 2.
141 AEMC, *Metering installation timeframes, Draft rule determination*, September 2018, p 42.
142 intelliHUB Group submission to IPART Draft Report, November 2018, pp 2-3.
143 Simply Energy submission to IPART Draft Report, November 2018, p 1.
144 Ibid, p 2.

accredited service providers or other electricians to communicate through the B2B e-hub. The AEMC did not consider that this requirement was necessary, as these parties should act as an agent of the customer on behalf of their interests.[145]

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

5 Poor communication of the metering process

A majority of submissions to our Fact Sheet 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, findings and recommendations for improving communication about the new arrangements.

5.1 Overview of our findings and recommendations

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 should provide incentives to retailers to implement better communication protocols, and decreasing timeframes for installations should reduce repeat customer callbacks. 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 recommend that both retailers and the Department of Planning and Environment should include more information on their websites about the process for applying for a meter, and the roles and responsibilities of the all parties.

IPART findings

9 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.

10 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.

Recommendations

3 That retailers should include more detailed information about the process for applying for a meter, and the roles and responsibilities of all parties on their respective websites.

4 That the Department of Planning and Environment ensures that its information about installing a digital meter is easily found when searching the internet.

5.2 Many stakeholders are confused about the metering process

We received a number of submissions to our Fact Sheet from ASPs, PIAC and customers who indicated that they had 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 do the installation.
- ASPs have lost customers suddenly, because they are no longer able to provide a meter, and the retailer is not charging for a meter.[146]

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.[147]

To address delays, PIAC suggested that a 'metering provider of last resort' scheme should be introduced to ensure equitable access to digital metering services for all NSW customers.[148]

In our Draft Report, we noted that, with any transition process, it takes some time for stakeholders to understand the changes. We considered that 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 all parties on its website.

We noted that a growing number of customers undertake online research before making a purchase[149] and 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 also noted that, while the Department of Planning and Environment has a webpage with information about digital meters, it was geared towards explaining what they are and the

146 See Appendices C and D.
147 Discussions between the AEMC and IPART Secretariat, September 2018.
148 PIAC submission to IPART Fact Sheet, August 2018, p 4.
149 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.

benefits, and referring stakeholders to their retailer for further information. However, we considered that customers would benefit from more information about the process for application, responsibilities and expectations of each party involved, including their own obligations regarding providing access and potential meter board or wiring augmentations.[150]

5.2.1 Stakeholders supported our draft recommendation and retailers and the Department of Environment committed to improve information and systems

EWON strongly endorsed IPART's recommendation that retailers and the Department of Planning and Environment should provide more detailed information about the process for applying for a meter, and the roles and responsibilities of the parties.[151]

PIAC also supported our recommendation, that the NSW Department of Planning and Environment provide more information on metering for consumers, stating:

> Given the current confusion among consumers about metering, this is appropriate. We agree that, combined with new requirements under the metering installation timeframes rule, this will improve information provided to consumers about smart meter services.[152]

IntelliHUB Group agreed that retailers providing information to the customer about:

- the meter application process, on their websites
- metering timeframes and expected cost, and
- customers' obligations in relation to the meter board, wiring and providing access,

would also assist in expediting the meter installation process.[153]

Simply Energy stated that its:

> ….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 well developed. As a competitive market, each retailer has its unique way to manage market changes and hence a generalised view of retailer systems and processes, as set out in the draft report, cannot accurately reflect the situation.[154]

In addition, Simply Energy noted that it:

> …supports provision of, and already provides, detailed information about the process for applying for a meter, and the roles and responsibilities of the new parties on its website and is willing to provide information that can be made available on the Department of Planning and Environment's website.[155]

Since publishing our Draft Report, the Department of Planning and Environment has updated its webpage, to include a link to a document about 'Installing a digital meter'. This document explains the steps the customers should take in common installation scenarios and contains

150 IPART, *Retailers metering practices in NSW – Draft Report*, October 2018, pp 29-30.
151 EWON submission to IPART's Draft Report, November 2018, p 2.
152 PIAC submission to IPART's Draft Report, November 2018, p 2.
153 intelliHUB Group submission to IPART Draft Report, November 2018, p 2.
154 Simply Energy submission to IPART Draft Report, November 2018, p 2.
155 Ibid.

answers to 'frequently asked questions'. We consider that this would be relevant and helpful to customers. However, the document is not easy to find through search engines.

We consider that competition for metering services and retail electricity, refinement of retailer processes through experience and statutory installation timeframes for retailers under the AEMC's draft rule determination would provide incentives for retailers to continue to improve their information and customer service systems without further regulatory intervention. We note that retailers some retailers already provide information on their websites, and some are in the process of developing their online capabilities.

We have maintained our recommendation that retailers should include more detailed information about the process for applying for a meter, and the roles and responsibilities of all parties, on their websites. We have amended our recommendation that the Department of Planning and Environment ensures that its information about installing a digital meter is easily found when searching the internet.

5.3 Stakeholders have difficulty contacting retailers and finding information

We received a number of submissions to our Fact Sheet 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.[156]

The AEMC's draft rule determination would provide an incentive to retailers to manage the installation process more efficiently, collect accurate information from customers upfront and 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.

In our Draft Report, we decided that this issue did not warrant regulatory intervention, but considered 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

156 See Appendix C.

- 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.[157]

5.3.1 Stakeholders responded positively to our draft findings and noted steps they are taking to improve information systems

Stakeholders supported our Draft Report, with HIA agreeing that:

> …retailers [could] develop on their website or through a portal (such as the B2B system), a means of customers being able to track the progress of their job from logging it to completion. This will ensure transparency and traceability for metering connections for customers. This has already been implemented for other services and we are aware some electrical retailers have started to look at this.[158]

HIA also reiterated its support for:

> …streamlining the process whereby a builder/home owner or the builders electrician place a call to a single entity and when a new smart meter is required to be installed and the retailer and network provider co-ordinate between themselves electing the mains to the site, connection of the meter and commissioning upon completion. This would reflect the situation pre-December last year.[159]

Red Energy appreciated IPART's concerns and stated that they are working to improve their communication to the customer.[160]

AGL noted that:

> We already provide information on the AGL website…that not only assists customers with the installation process but also provides an outline of the benefits and new services a digital meter provides to consumers.[161]

Origin stated:

> We agree that retailers can improve how they communicate with customers and the ease with which customers can access clear and relevant information. To address this, we are currently improving our online information and are developing digital portals which will provide our customers with greater control over their meter installation, including the ability to change appointments and view the status of their installation.[162]

We acknowledge that some retailers already offer online application services and have detailed information available on their website.[163] We also acknowledge the commitment of retailers to improving the availability and transparency of information for customers. We consider that regulatory intervention in this area is not warranted at this time.

157 IPART, *Retailers metering practices in NSW – Draft Report*, October 2018, p 30.
158 HIA submission to IPART Draft Report, November 2018, p 2.
159 Ibid.
160 Red Energy submission to IPART Draft Report, November 2018, p 2.
161 AGL submission to IPART Draft Report, November 2018, p 2.
162 Origin Energy submission to IPART Draft Report, November 2018, p 1.
163 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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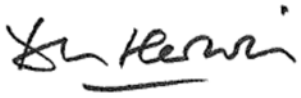
In this context, I request that IPART review retailers' practices in relation to metering and report on whether these practices are delivering acceptable levels of customer service. This may require IPART to formally request information from retailers about its metering performance, including timeframes 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.[164]

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'.[165] That is, meters that have advanced remote communications capability, which may include remote disconnection and reconnection[166], 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.[167]

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.

164 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.

165 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.

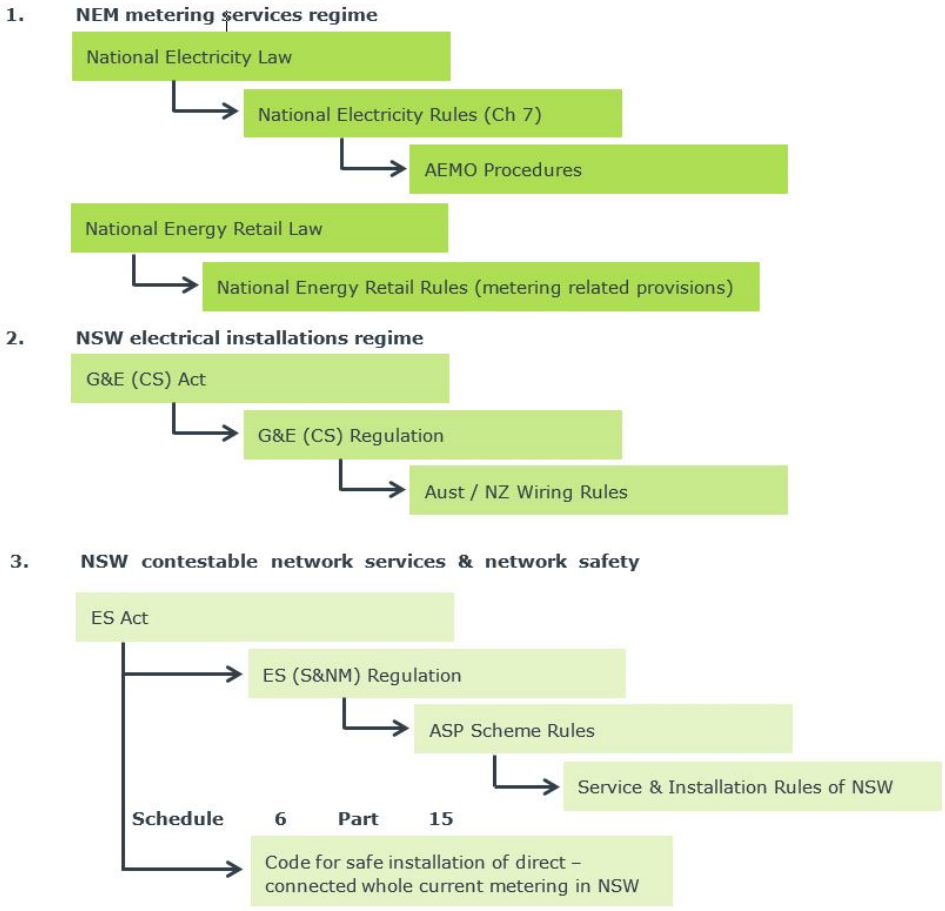
166 The remote de-energisation and re-energisation of a small customer's premises using a digital meter is currently prohibited for 18 months beginning on 1 December 2017. This regulation expires on 1 June 2019. See Electricity Supply (General) Regulation 2014, clause 8A.

167 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.

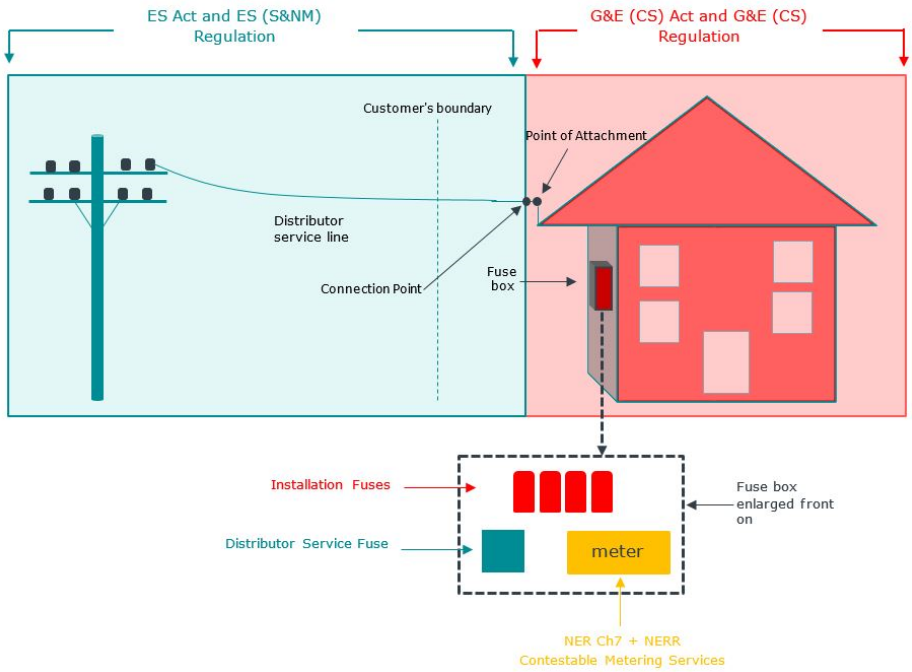
Figure B.1 Regulatory framework governing meter installations in NSW



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'[168] 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

168 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

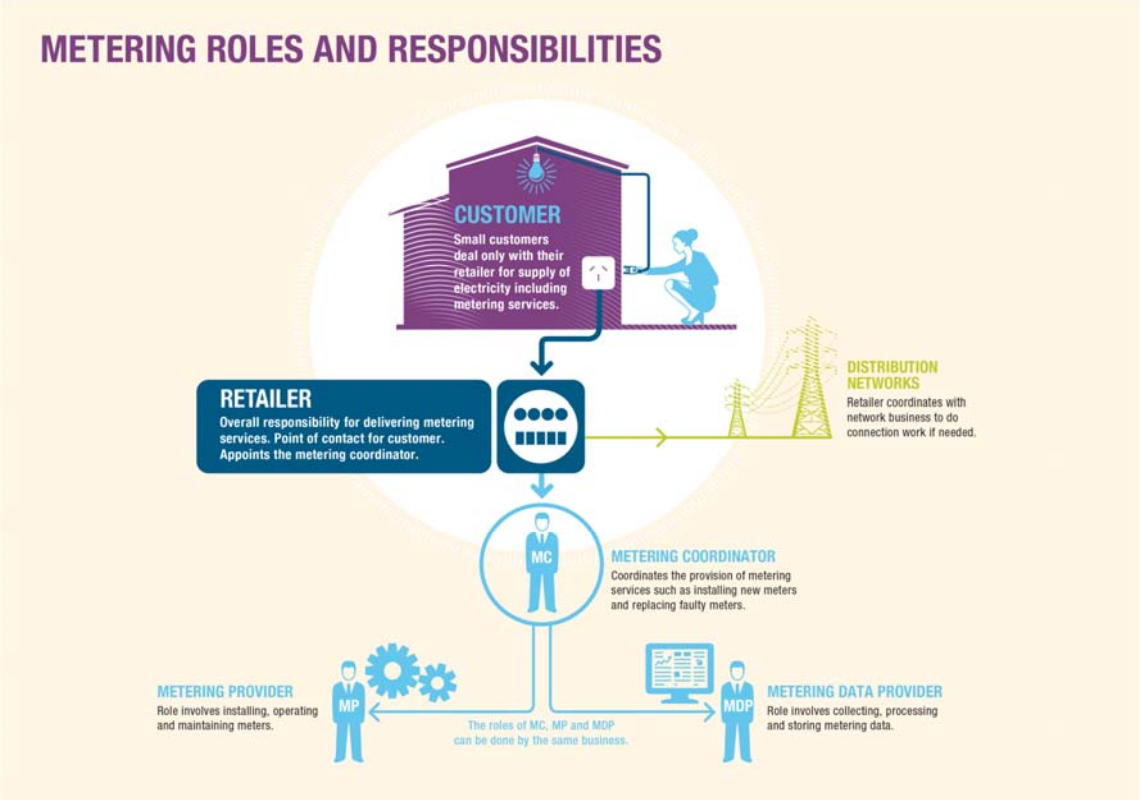
a NSW Department of Industry, Division of Resources and Energy, *Code for safe installation of direct-connected whole current electricity metering in NSW*, July 2018.

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.[169] 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).

169 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 144 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.

We also received 20 submissions to our Draft Report. We have not summarised them here, as we have discussed them extensively throughout our Final Report.

Table C.1 Summary of key issues raised in submissions to our Fact Sheet

Issue	Description	Submissions received from	Our response
Shared fuses and multi-occupancy meter replacements	Retailers must provide four 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 retailers and the initiating retailer cannot provide notice to, or disconnect, other retailers' customers. The distributor must be engaged to perform a distributor-led interruption.	AGL Australian Energy Council EnergyAustralia National Electrical and Communications Association P Bennett R Prasad	We recommend that, subject to safety regulations, Metering Providers should be able to deploy the resources necessary to provide planned interruption notices, and carry out retailer-planned interruptions to affected parties.
Metering providers do not have authority to isolate supply	Being unable to isolate the electricity supply at the site is a key reason for delayed metering installations.	Australian Energy Council EnergyAustralia	We recommend that, subject to safety regulations, Metering Providers should be able to deploy the resources necessary to: • operate any service fuse carriers required to de-energise a site for a meter installation within a customer's electrical installation • conduct live isolation work, within the customer's electrical installation, 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 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 retailer to determine if this is required prior to a site visit. This causes multiple visits,	National Electrical and Communications Association N Wiedermann	We recommend that, subject to safety regulations, Metering Providers should be able to deploy the resources necessary to:

	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 within a customer's electrical installation • conduct live isolation work, within the customer's electrical installation, where necessary. We also noted that retailers should set better expectations with customers about their obligations regarding any remedial work before the meter can be installed.
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	Metering Providers are subject to safety standards under a number of regulations, including the WHS Act, Service and installation rules and Code for safe installation. We have not proposed any changes to these standards and note that Metering Providers and their technicians would have to comply with them for any metering work they do.
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	During complex meter exchanges, the retailer and the distributor must coordinate to provide the meter installation. However, we have found that distributor's 'best endeavours' to provide 'reasonable assistance' to retailers under the NERR have not been adequate to ensure coordination and timely installation.
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	We recommend that subject to safety regulations, Metering providers should be able to deploy the resources necessary to install ripple control relay devices, where required.

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, and incur costs for site visits to unlock boxes. We consider access should be negotiated between the retailer and customer.
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 LJW Solar M Thorsby G Moss	We consider that there is an opportunity for Metering Providers to identify and recognise common elements of each provider's training with a view to reducing the administrative and financial burden on electricians. However, we consider that the AEMC's draft rule determination would provide an incentive for Metering Providers to optimise their training program, 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 have found that there are opportunities to streamline reporting in the B2B system to improve efficiency.
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	Cavalier Homes Housing Industry Association D Cumming	The AEMC's draft rule determination and our recommendations would be effective in reducing installation times to an acceptable level.

	the predicted homes to be built in the next 6 months, is a significant amount.		
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 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, customers' having to pay for unexpected remedial wiring, new meter box or removal of asbestos.	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 would provide incentives for retailers to manage the application process more efficiently, and could help reduce the volume of repeat customer calls to retailers. 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, and we note that some retailers are doing this. We also recommended that retailers include more prominent information about the process for applying for a meter and the roles and responsibilities of all parties on their websites, and the Department of Planning and Environment ensures that its information about installing a digital meter is easily found when searching the internet.
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	We consider that the AEMC's draft rule determination would provide incentives to retailers to manage the application process more efficiently, and could help reduce the volume of repeat customer calls to retailers.

		D Sloane M Thorsby	
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 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	We consider that one party should be accredited and authorised to undertake all works necessary for meter installations in most cases. Our recommendation would be effective in reducing installation times to an acceptable level.

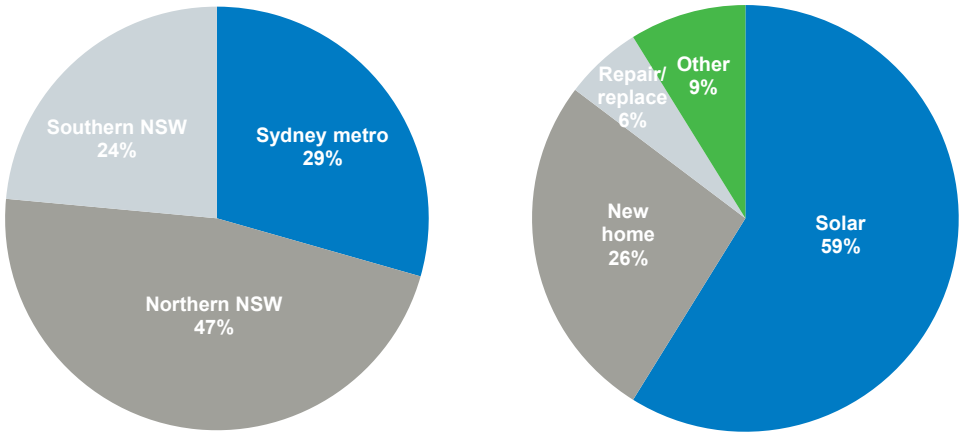
D Key findings from our stakeholder survey

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 (%)

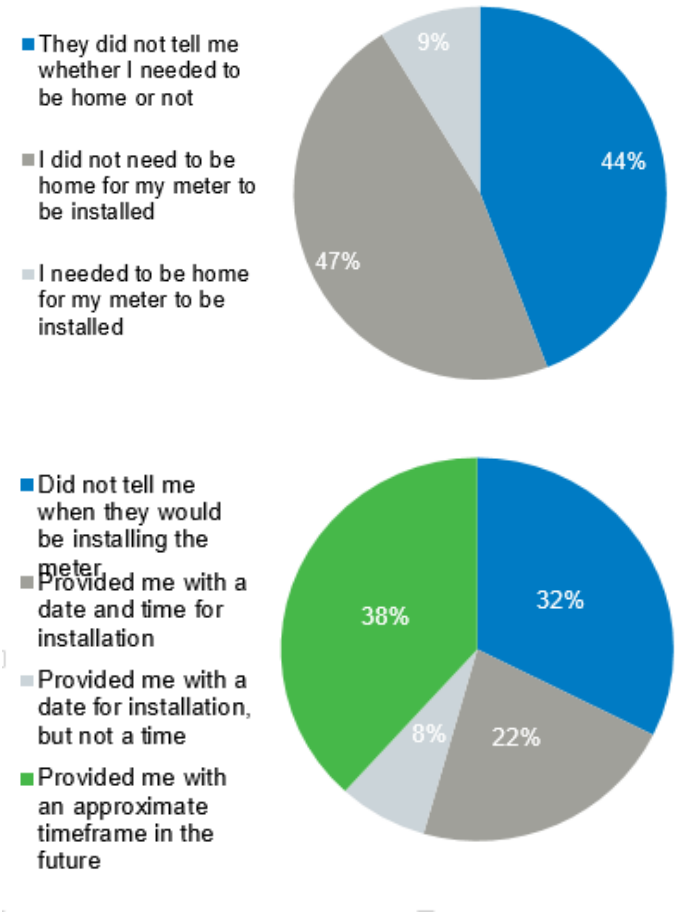
Retailer	% survey responses
ActewAGL	1.5%
AGL	22.1%
Click Energy	1.5%
Energy Australia	16.2%
Energy Locals	4.4%
Enova Energy	2.9%
Origin Energy	41.2%
Pooled Energy	1.5%
Powerdirect	1.5%
Powershop	2.9%
Red Energy	4.4%

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

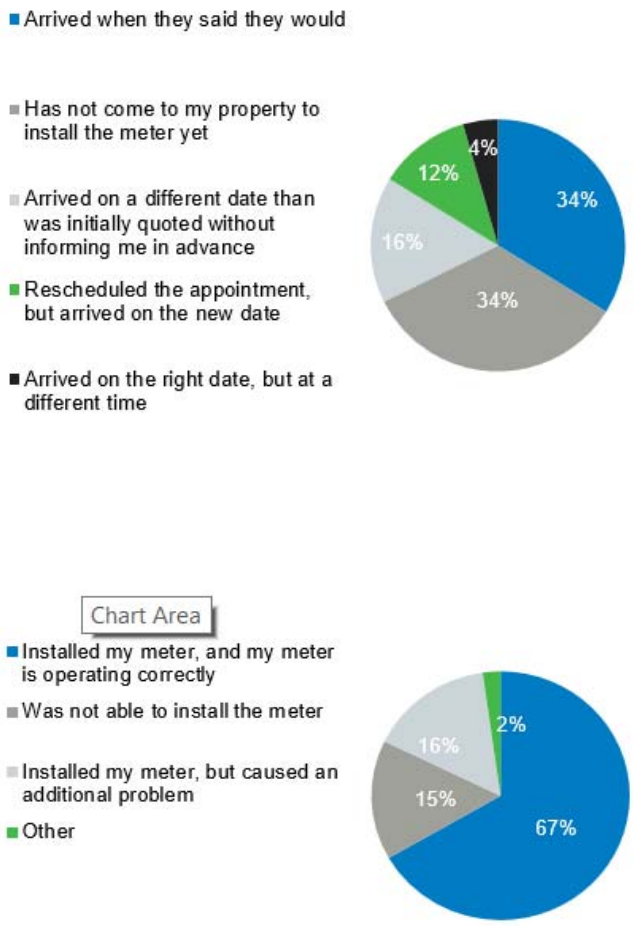


Data source: IPART survey.

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

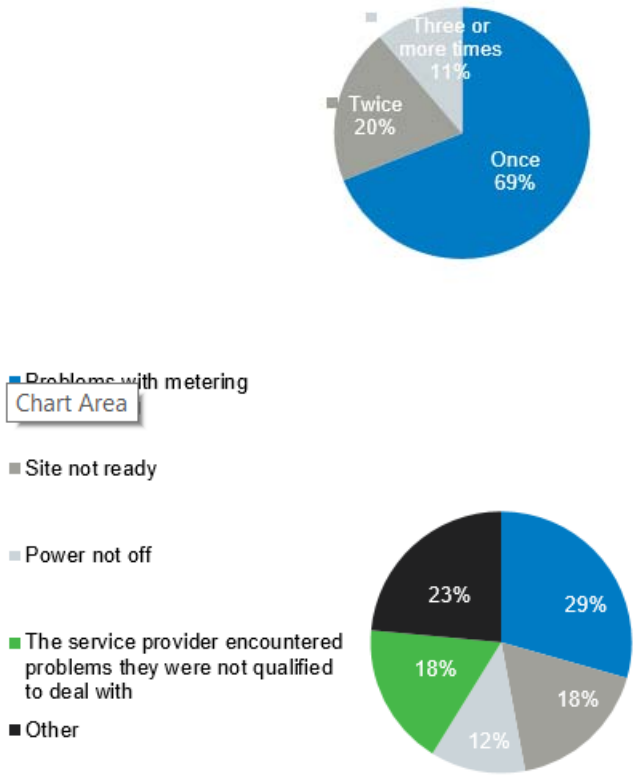


Data source: IPART survey.

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

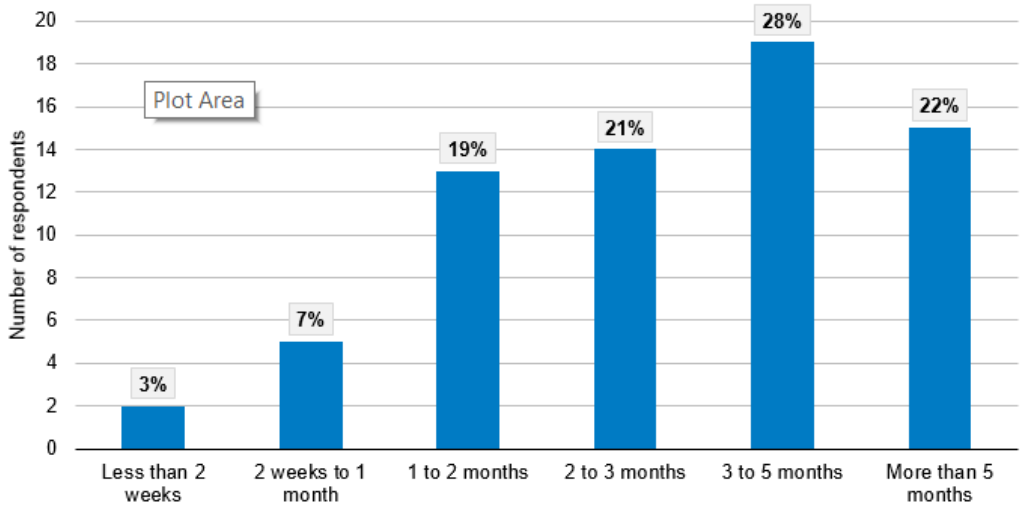


Data source: IPART survey.

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

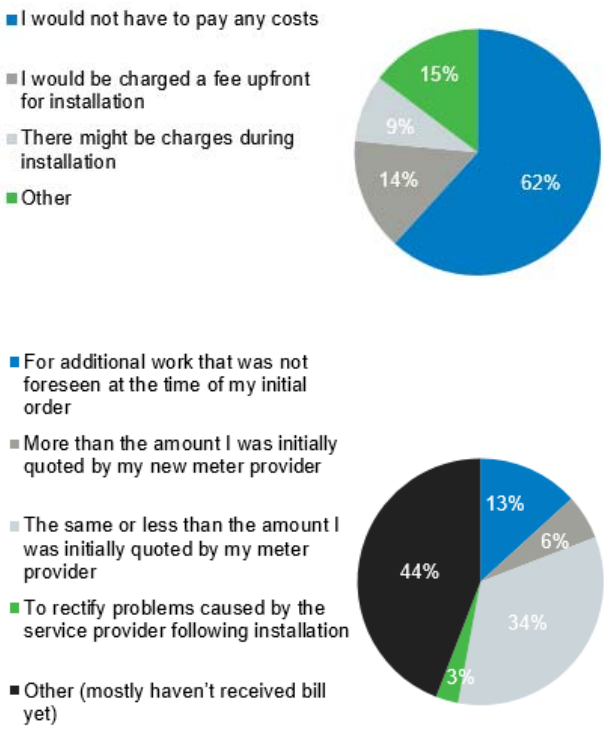


Data source: IPART survey.

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.

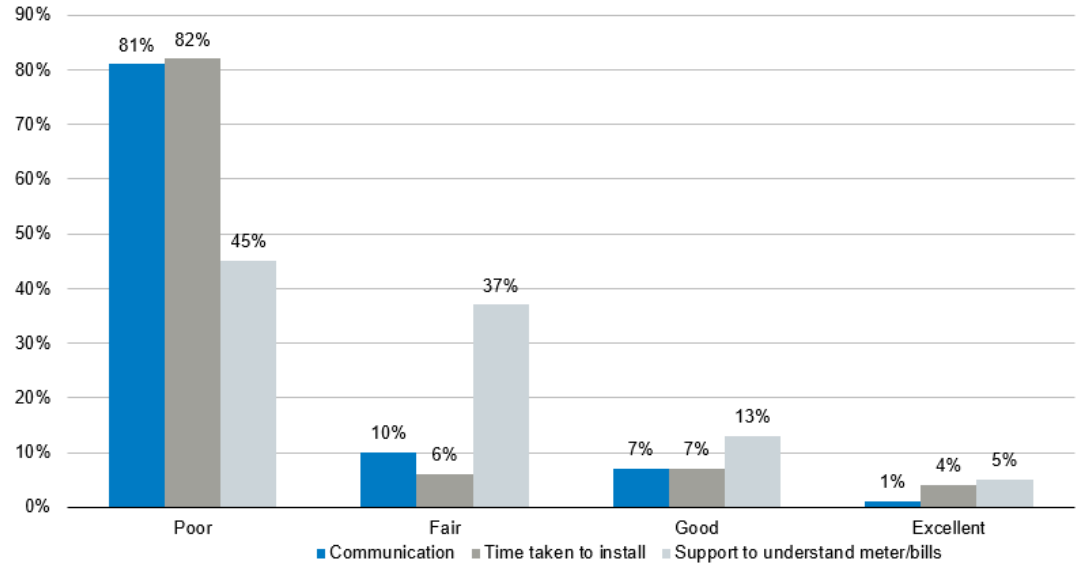
D.7 Respondents were dissatisfied with retailer communication and time taken to install

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.