



**EnergyAustralia**

LIGHT THE WAY

2 August 2018

Dr Peter Boxall  
Chair  
Independent Pricing and Regulatory Tribunal  
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Dear Dr Boxall

### **IPART – Review of electricity retailers’ metering practices in New South Wales**

EnergyAustralia welcomes the opportunity to make this submission to the Independent Pricing and Regulatory Tribunal’s (IPART) review of electricity retailers’ metering practices in New South Wales (NSW).

EnergyAustralia is one of Australia’s largest energy companies with over 2.6 million electricity and gas accounts across the National Electricity Market. We have a diverse energy generation portfolio, including coal, gas and renewable assets. In NSW, we provide energy to around 1 million customers. We also have generation assets in NSW including Mt Piper Power Station and Tallawarra Power Station.

The commencement of metering competition in December 2017 is the biggest structural change to the industry since retail contestability. The responsibility to offer, install, maintain and replace smart meters has transferred from the local network service provider (LNSP) to the newly created metering coordinator (MC), retailers, meter providers (MP) and meter data providers. The introduction of new market participants has created additional coordination obligations and interdependencies requiring retailers to adopt new processes and procedures.

We appreciate the concerns expressed by the Hon. Don Harwin MLC, NSW Minister of Energy and Utilities, regarding reports of delays in meter installation and poor customer communication.<sup>1</sup> That there are issues, are not unexpected for a change of this nature and size. As a retailer, EnergyAustralia is involved in arranging and rescheduling metering work many times every day. Delays mean we can incur additional costs through inefficiencies and the need for multiple visits by distributors to some sites. In the majority cases, we are absorbing these costs rather than passing them through to customers.

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<sup>1</sup> <https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/investigation-compliance-monitoring-energy-publications-electricity-gas-market-monitoring-201718/letter-of-request-from-minister-retailer-metering-practices-may-2018.pdf>

EnergyAustralia is working with other retailers, metering providers, distributors, the Australian Energy Market Commission (AEMC) the Australian Energy Market Operator, the Australian Energy Regulator, state regulators, and governments to enable us to deliver better outcomes in metering installations for customers.

## **1. Reasons for metering installation delays**

Metering is now a competitive market meaning retailers have a strong incentive to maintain a high service level and provide good customer outcomes. Eight months into the new competitive arrangements we have seen significant improvements in installation timeframes in NSW.

However, we do see room for improvement and have been proactive in briefing IPART, the NSW Department of Planning and Environment, EWON and other NSW stakeholders to outline the issues and gain support for the solutions. Customers should not be negatively impacted by meter installation delays. However, there are legacy and regulatory issues causing delays which need to be resolved for retailers to provide better metering outcomes for customers. These include:

- The metering provider has no authority, insufficient equipment, knowledge or personnel to isolate the electricity supply at site.
- The metering provider cannot isolate the electricity supply at the site safely or without affecting other customers who may not yet have been notified about an interruption to supply (the latter often occurs due to shared fusing).
- No room on switchboard for the new meter.
- Customer electrical defect.
- Occupant at the site stops works from progressing.
- Unsafe meter board – asbestos or a meter board that has been tampered with.
- Regulatory obligations – giving at least four-business days’ notice of a planned interruption, cooling-off periods, the requirement to update role ownership in industry systems before a meter exchange can be initiated.

Being unable to isolate the electricity supply at the site is the main reason why metering installations are being delayed for EnergyAustralia’s customers in NSW, particularly if our customer’s meter has a shared fuse with other customers. This typically occurs in apartment complexes, and is not usually known until a meter provider first visits the site. Some distributors have informed us they do not hold records of where these sites exist. The situation is even more complicated in that the other customers will almost invariably not have been notified of a supply interruption and in most cases, will be with different retailers. EnergyAustralia is not permitted to interrupt the supply of customers to other retailers and as a result, where there is shared fusing, we are prevented from isolating our customer’s site to completing the metering installation on the first visit. Clearly this is a source of frustration for customers and creates additional costs and inefficiencies for retailers and metering parties.

The issue of coordinating all market participants is the biggest challenge for these sites. We are working with other industry participants to design and implement solutions to address this issue. It is not yet clear what the optimal solution is due to the complexities that arise in the field. The solution/s must minimise customer delays, number of interruptions and be more cost effective for retailers (and ultimately customers). This may require either rule changes or agreements between all parties in each network area.

## **2. Role for 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. For example, some meter boxes are locked which prevents access for metering providers. Distributors have indicated reluctance to provide master keys to metering providers, preventing access to many sites. This is often the case in apartment blocks where meters are locked away in a room. Some distributors have also imposed significant and unregulated fees on retailers to perform isolations for multi-occupancy premises. This has been reported to the AER, however, is not yet resolved. We are working with other participants to require distributors to:

- Provide more transparent information around meters and supporting infrastructure so metering providers can better manage customer expectations.
- Provide clarity of work practices to be used where appropriate.
- Charge reasonable fees in the event they are required to assist with the provision of metering services.
- Potentially to work with us to implement new processes or protocols to minimise customer impacts.

## **3. Summary**

While, we recognise that some customers have had poor experiences and unnecessary delays in installation processes, most of our customers are satisfied with their meter installation. We have also seen significant improvements since 1 December 2017 as all market participants become more familiar with the new arrangements. As solutions are implemented to address the underlying issues causing delays, we expect to see further improvements.

As such, we caution IPART from making any recommendations for further regulation to address customer detriments that don't address the root causes. EnergyAustralia believes that the underlying issues that need to be addressed are largely legacy or transition issues with distributors or they relate to regulatory interpretation or complexity.

If IPART considers that additional regulatory measures are necessary, we strongly urge IPART to fully assess any changes to ensure that the changes will deliver improved customer outcomes and don't create excessive red tape. We also encourage IPART to consider the outcomes of the AEMC's metering rule changes<sup>2</sup> to reduce the chance of duplicated and inconsistent regulations.

If you would like to discuss this submission please contact Carmel Forbes [REDACTED].

Regards

**Melinda Green**

Industry Regulation Leader

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<sup>2</sup> <https://www.aemc.gov.au/rule-changes/metering-installation-timeframes>, <https://www.aemc.gov.au/rule-changes/meter-installation-creation-incoming-roles>