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Australian Energy Market Commission
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**Submission to Australian Energy Market Commission's (AEMC) Draft Rule Determination:
National Electricity Amendment (Metering Installation Timeframes) Rule 2018**

Thank you for the opportunity to contribute to the proposed draft rule on metering installation timeframes for retailers. The Tribunal has asked me to make this submission on its behalf.

Under the *National Energy Retail Law (NSW) No 37a*, IPART is required to monitor the performance and competitiveness of the NSW retail electricity and gas markets for small customers. This year, the NSW Government also asked us to review retailer's metering practices and report on whether these practices are delivering acceptable levels of customer service. It asked us to identify any opportunities and make recommendations for improving retailer customer service.

On 2 October 2018, we published our Draft Report on Retailers' metering practices in NSW, in which we found retailers were not delivering an acceptable level of customer service.¹ Although average meter installation timeframes have improved from 60 to 72 days in December 2017, to 16 to 19 days in June 2018, customers are still experiencing delays exceeding the AEMC's draft proposed timeframes.

We support the AEMC's draft rule determination on meter installation timeframes and acknowledge that the draft rule would reduce installation times to acceptable levels in most instances by giving retailers the incentive to coordinate more efficiently with other metering parties to complete the work required. However, we note that the AEMC's draft rule would not address delays for all customers, because there are exceptions to the metering installation timeframe, where:

- ▼ electrical or other safety constraints, such as the presence of asbestos, prevent work from proceeding
- ▼ the meter installation is at a multi-occupancy site, where an interruption to the power supply would affect third party customers
- ▼ extra work needs to be completed at the site by a party other than the retailer or metering provider before the meter can be installed (eg, a larger metering board is needed), or
- ▼ the site is not accessible (eg, where the customer does not grant access).

¹ IPART, *Retailers' metering practices in NSW: Draft Report*, October 2018.

In general, we consider that responsibility should rest with the entity most able to resolve the problem causing a delay, whether this is the retailer or customer.

Our submission is mainly concerned with these exceptions.

Providing 'blanket' exceptions for safety, electrical, and access constraints may reduce retailers' incentives to engage effectively with customers and manage their work program in the customer's interests

We consider that the rule would benefit from greater clarity around the exceptions for safety, electrical and access constraints.

There may be limited circumstances where meter installation cannot proceed due to reasons outside the control of the retailer and metering parties. However, we consider that retailers may have some control over these exceptions and can plan for, and respond to, them. Retailers may take a broad interpretation of what constitutes a 'safety constraint' for the purpose of gaining an exception. For example, this may refer to instances where the Metering Provider sends a metering technician that is not be appropriately qualified to remove certain types of service fuses to de-energise the meter, conduct a live isolation procedure if the service fuse cannot be removed or conduct wiring rectification work.

In NSW, these are prohibited actions under clause 18 of the Code for safe installation of direct-connected whole current electricity metering in NSW (Code for safe installation), unless the metering technician is qualified as an Accredited Service Provider. Also, under the Code for safe installation, Metering Providers must include instructions on working with asbestos in their safety management system.²

Providing an exception for instances where the site is not accessible, eg, where the customer does not grant access, could reduce the incentive for retailers to communicate effectively with customers about any access constraints in the first instance. Customers may be subject to unnecessary delays, because they don't know what access conditions the Metering Provider requires.

Exceptions that do not require additional work to be undertaken by a customer should not warrant a 'clock stop', but allow additional time to complete the task

We consider that the rule could be improved by providing extra days for retailers to complete metering installations for most types of exceptions, rather than removing the obligation completely.

Stopping the clock for all exceptions may be detrimental to customers' interests, because it reduces the incentive for the retailer to work towards a solution. For example, where work cannot proceed because of an existing electrical issue, the retailer may negotiate with the customer to undertake the rectification work (though their Metering Coordinator and Metering Providers), at the same time as they install the meter at a later date.³ However, there is a reduced incentive for the metering parties to undertake this work in a timely manner as it would be exempt from the timeframe.

² Code for safe installation, clause 20.

³ Our stakeholders have told us that it is not uncommon for a metering technician to find electrical problems that require extra work, which is either not covered by the existing work order, or the technician may not have the parts or skills to complete the work. However, it could be completed by an appropriately qualified technician on a second visit.

In instances where the meter is located at a multi-occupancy site, the key problem appears to be the coordination of Planned Interruption Notifications for third-party customers. While this takes extra time, it should not warrant a clock stop, because this reduces retailers' incentives to resolve the issue efficiently.

We note that shared fuses are more common in NSW than other states and a large number of customers could be affected by exceptions to metering installation timeframes for this reason.

Where a customer decides, or is required by the retailer, to undertake rectification work before the meter can be installed (eg, installing a bigger meter board), then the clock should be stopped until the customer advises the retailer that the work is complete and they would like to proceed with their application. We note that in some cases, the rectification work may be expensive or time consuming, or the customer may decide not to proceed with the meter installation. Retailers should not be penalised in these instances.

The rule should include more detail on how exceptions are assessed and granted

The AEMC noted that it expected that the Australian Energy Regulator may report on the use of exceptions by industry as part of its quarterly compliance monitoring and enforcement reports and we support this recommendation. However, we consider that, given the ambiguity of retailer control in certain circumstances, there should be more transparency and tighter control around the process for assessing and granting exceptions.

Other comments

We support the AEMC's recommendations to reduce the objection period for metering role changes in the business-to-business system to zero days in cases where an existing accumulation or manually read interval meter needs to be replaced with an advanced meter. This was raised as an issue by stakeholders in our review.

We also support 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). We note that there have been instances where life support customers have had difficulty getting their meter installed, because of the notification requirements.

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Yours sincerely



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