AEMC

RULE

Australian Energy Market Commission

RULE DETERMINATION

NATIONAL ELECTRICITY AMENDMENT (METERING INSTALLATION TIMEFRAMES) RULE 2018

NATIONAL ENERGY RETAIL AMENDMENT (METERING INSTALLATION TIMEFRAMES) RULE 2018

PROPONENTS

The Australian Government
Australian Energy Council

6 DECEMBER 2018

INQUIRIES

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ABOUT THE AEMC

The AEMC reports to the Council of Australian Governments (COAG) through the COAG Energy Council. We have two functions. We make and amend the national electricity, gas and energy retail rules and conduct independent reviews for the COAG Energy Council.

SUMMARY

1 The Australian Energy Market Commission (Commission) has made a more preferable final rule (final rule) that amends the National Electricity Rules (NER) and National Energy Retail Rules (NERR) to provide customers with greater control and confidence over when their electricity meter will be installed.

2 Under the final rule, retailers will be required to provide a meter installation for a new connection or a simple meter exchange by a date agreed with the customer. If no timing can be agreed, then the retailer will need to install the meter within six business days at a new connection, or within 15 business days if the customer has requested a simple meter exchange.

3 For a meter exchange that requires a connection alteration to be completed by a distribution network service provider (DNSP), the retailer will be required to install the meter by a date agreed with the customer and the DNSP.[1] This is because, in the majority of cases, the connection services must be completed at the same time as the meter installation. If no timing is agreed, the final rule requires the retailer to install the meter within 15 business days. It also specifies that the DNSP must coordinate with the retailer in order to allow the retailer to meet its timeframe obligations.[2]

4 The final rule also includes a range of additional measures that will assist in reducing meter installation delays and increase consumer confidence in the industry. These measures include:

- obligations on the retailer to inform small customers of the meter installation timeframes for customer-initiated works
- a recommendation to the COAG Energy Council to extend the current civil penalty provisions on timeframes for malfunctioning meters to the new timeframes for other types of metering arrangements
- providing more flexible notification requirements for retailer and distributor planned interruptions
- a recommendation to the Australian Energy Market Operator (AEMO) that they streamline the appointment process for metering parties in certain circumstances.

5 In addition, the final rule harmonises the existing timeframes in the NER for metering coordinators to repair or replace a small customer's faulty meter with the timeframes for customer-initiated meter exchanges. This reflects that the installation process is similar in both scenarios and requires coordination between several parties.

6 The final rule was made in relation to two rule change requests that were consolidated under the National Energy Retail Law (NERL) and the National Electricity Law (NEL). The requests,

1 Where the connection services for a site are provided by a party acting as an agent of the customer, such as an accredited service provider in New South Wales, the DNSP is not subject to an obligation to coordinate as it is not the party providing the connection service.

2 The final rule additionally specifies how the retailer and DNSP must communicate with each other.

which were submitted by the Australian Government[3] and the Australian Energy Council, primarily relate to delays in the installation of advanced meters for electricity supply.

BOX 1: CHANGES BETWEEN THE DRAFT AND FINAL RULE

The final rule largely retains the content and form of the draft rule. However, a number of changes have been made between the draft and final rule to enhance the operation of the rule and to clarify its intent.

A key change under the final rule is that customers are now able to agree to a date range for metering works or connection services that require an interruption to the customer's electricity supply. Customers can also agree for the planned interruption to be on a specific date.

This change was made to allow retailers and metering providers to deliver metering works more efficiently across a diverse and geographically dispersed customer base. The Commission considered that providing customers and retailers with the flexibility to agree on a date range is likely to improve efficiency in meter installations, even if only some customers take up this option.

Other relevant amendments to the final rule include:

- requiring retailers to inform small customers in writing of the timeframes for customer initiated meter installations
- allowing for retailers and DNSPs to gain an exception to the meter installation timeframe in circumstances where a complex meter exchange requires augmentation to the network and this work has not yet been completed
- mirroring the obligations across retailer and distributor planned interruption notices (PINs)
- amending the record keeping provisions to specify that retailers and DNSPs need to retain evidence of customer consent to an agreed date or date range for a planned interruption for two years
- adding a transitional provision which specifies that, for small customers with an outstanding request for a meter installation with their retailer as at 1 February 2019, the commencement of the relevant metering installation timeframe will take effect.

The provisions in the final rule relating to meter installation timeframes and planned interruption notices will now both commence on 1 February 2019. This change was made to align the rule with the commencement of the *Strengthening protections for customers requiring life support equipment* rule.

Both rules will require DNSPs and retailers to make changes to their standard retail contracts and deemed standard connection contracts. The commencement dates have therefore been

3 This rule change request was submitted by Hon Josh Frydenberg MP, then Minister for the Environment and Energy, on behalf of the Australian Government.

aligned so that retailers and DNSPs can make these changes at the same time.

Importance of metering contestability

7 The roll-out of advanced meters is progressing faster than expected. Approximately 600,000 small electricity customers outside Victoria now have an advanced meter. In South Australia, these customers make up almost ten percent of the market.

8 Advanced meters are a key foundation for the transformation of the energy market. They enable customers to better understand and control their electricity use and costs, and enable them to access new services. They are also a pre-requisite for the implementation of cost-reflective tariffs, which will deliver significant savings in network costs and average prices for consumers.

9 A result of the metering contestability reforms is that the roll-out of advanced meters is being driven by consumer choice, rather than regulation. As anticipated, most advanced meter installation requests are coming from customers directly; rather than as a result of retailers choosing to undertake advanced meter deployments.

10 There is a risk that poor customer experiences in the early stages of the new contestable metering market have the potential to undermine confidence in this important reform. As discussed below, in situations where consumers have requested the installation of an advanced meter, delays in installations can cause significant harm to consumers and may reduce the likelihood that they participate in new products and services that could reduce their energy costs or usage.

Case for change

11 The Commission acknowledges that delays in the installation of meters can have a severe impact on small customers. This harm may result from:

- **No access to electricity:** When a meter installation is delayed at a new connection, the customer is unable to access electricity and will likely be unable to occupy the premises for the period of the delay.
- **Poor customer experience:** When a meter replacement is delayed, the customer may be unable to access new products and services until the upgrade is complete. This can result in poor customer experience and may result in fewer customers requesting an advanced meter.
- **Financial hardship:** Meter installation delays at a new connection can have a significant financial impact on the customer; for example, they may need to pay for alternative accommodation or forgo rental income from the property. Where the new meter is enabling a service that allows the customer to reduce their energy bills, installation delays may also result in higher bills than necessary.

12 The amount and severity of cases where small customers have experienced meter installation

delays since 1 December 2017 is of serious concern to the Commission. Although industry has taken some action to resolve the meter installation delays, the Commission considers that the situation remains unsatisfactory and requires regulatory action.

Actions taken to resolve delays

13 The Commission has been working closely, alongside other regulatory bodies such as the Australian Energy Regulator (AER) and AEMO, to resolve issues related to meter installation delays. This work has been conducted in parallel to the rule change process, so that outcomes for customers can be improved before the proposed rule commences.

14 While the issue of meter installation delays is a widespread problem, a pronounced lack of coordination between the parties now responsible for connection and metering services in South Australia has led to particularly severe cases of delays in that state. In limited cases, customers have been left without electricity supply for an extended period.

15 To resolve this issue, the Commission, the Essential Services Commission of South Australia (ESCOSA), the AER and AEMO have been holding regular workshops with retailers, metering businesses, South Australia Power Networks (SAPN), the Energy and Water Ombudsman of South Australia (EWOSA) and industry groups representing electrical and building contractors to identify solutions that can be implemented while the rule change process is in progress. The workshops have led to some improvements in meter installation timeframes and reduced the instances of South Australian consumers being left without electricity supply as a result of metering related works.

16 In September 2018, the South Australian Government also obtained agreements from each of South Australia's largest electricity retailers to offer significant financial compensation for customers who are left waiting too long to receive a meter installation. These local regulations are expected to cease once the AEMC's final rule comes fully into effect on 1 February 2019.

17 However, the Commission agrees with the rule change proponents that further regulatory changes are needed to address the widespread delays for meter installations.

Installing or replacing electricity meters

18 The different scenarios for installing or replacing a meter can broadly be grouped into three categories:

1. **Customer-initiated installations:** These include installations for new connections, as well as when an existing meter is exchanged at a customer's request. Some meter exchanges require an upgrade to the customer's connection, while others do not.
2. **Replacement of malfunctioning meters**: These include:
    - the requirement to repair a single meter due to one-off conditions such as weather damage or a production fault, or

- 'family failures' that result from a type of meter showing an unacceptably high failure rate during meter testing, leading to the whole fleet of meters needing to be replaced.

3. **Retailer led installations:** Under the NER, retailers can choose to deploy a fleet of new meters to customers in order to benefit from the functions provided by the technology, such as remote meter reading.

19 There are currently few rule requirements regarding the timeframes in which electricity meters must be installed. Where a customer or retailer has initiated the meter installation, the NER does not specify a maximum time in which the meter must be installed. The notable exception is that the NER does have a maximum timeframe for metering coordinators to rectify malfunctioning meters.

20 Prior to the introduction of the *Competition in metering* rule, there were some requirements on DNSPs to complete metering work within a certain timeframe as part of a small customer's connection process. These requirements varied by jurisdiction, for example:

- In Victoria, the DNSP used its best endeavours to connect new supply on the date agreed with the customer, or otherwise within ten business days of the customer's request.
- In South Australia, the DNSP used its best endeavours to connect new supply on a date agreed with the customer, or otherwise within six business days of the customer meeting certain preconditions.
- In Queensland, the DNSP completed connection services within a number of set timeframes which varied in length from 5 business days to 30 business days based on the type of metering work. The metering related works subject to these timeframes included new connections, reconnections, disconnections and alterations.

21 The other jurisdictions in the National Electricity Market did not impose connection timeframes, including for metering related works, on DNSPs.

Timeframes for customer-initiated meter installations

22 The Commission considers that there are significant benefits to imposing a nationally consistent and firm set of installation timeframes into the NER for cases where a small customer[4] has requested a meter, including new and replacement situations. These include:

- increasing certainty for customers about when they can expect their meter to be installed
- setting an expectation for retailers, metering parties and DNSPs as to the minimum level of service required by customers, with penalties to promote compliance with the rules
- allowing customers to access the benefits of advanced meters on demand, including new products and services and, in some cases, lower energy bills.

23 The final rule therefore includes both the flexibility for retailers and customers to agree on a time for a meter installation, as well as requirements on retailers to meet a maximum timeframe for the provision of a meter installation in cases where a small customer has

4 Small customer is defined under the National Electricity Law but varies by state. It means a customer with an annual electricity consumption level less than 100MWh (QLD and NSW); 150 MWh (ACT); and 160 MWh (SA).

initiated the request for a new meter and has not agreed to timing. We consider that these requirements constitute a clearer, more consistent and firm set of expectations for retailers to deliver metering services to customers in the National Electricity Market.

24 The requirements differ slightly depending on whether the meter installation is for a new connection, a simple meter exchange or a complex meter exchange. This is because the installation steps are different for each scenario, including the number of parties involved in the installation process.

Timeframes for new connections requested by small customers

25 A new connection refers to a situation where electricity supply is being connected to a site where none existed before. In practice, new connections are most often new builds that have just been completed. They may be at a single occupancy dwelling, such as a standalone house, or a multiple occupancy dwelling, such as an apartment building.

26 Under the final rule, retailers will be required to provide a metering installation for a new connection by a date agreed with the small customer. If no date is agreed, then the retailer must install the meter within six business days of being informed that any requisite connection services are complete. In most cases, this notification will be from the DNSP, with the retailer notified via AEMO's B2B e-hub or another agreed method.[5]

Timeframes for simple meter exchanges requested by small customers

27 A simple meter exchange refers to a situation where an existing electricity meter is being replaced with a new meter and a connection alteration is not required. In practice, this often occurs when a customer has requested a new electricity product or service that requires their existing accumulation or manually read interval meter to be replaced with an advanced meter. For example, the installation of a small rooftop solar panel may require a simple meter exchange at the small customer's premises.

28 Under the final rule, retailers will be required to provide a metering installation for a simple meter exchange by a date agreed with the customer. If no date or date range is agreed, then the retailer must install the meter within 15 business days of having received a request from an existing small customer to exchange the meter.

29 The Commission considers that a timeframe of 15 business days is appropriate, given that there are more installation steps once the timeframe has commenced than for new connections. The existing meter will continue to function and support electricity supply for the small customer in the interim.

Timeframes for complex meter exchanges requested by small customers

30 A complex meter exchange refers to a situation where an existing electricity meter is being replaced with a new meter, and a connection alteration is also required. In practice, this often occurs when a customer requires an advanced meter as well as an upgrade to the capacity of

5 The final rule specifies that retailers and DNSPs must use AEMO's B2B e-hub to coordinate the installation of a small customer's meter unless another method has been agreed.

their electricity supply to enable a new product or service. For example, a customer may have bought an electric vehicle or a large air conditioner that requires three phase electricity supply.

31 Under the final rule, retailers will be required to provide a metering installation for a complex meter exchange by a date agreed with the customer and the DNSP.[6] It is necessary for all three parties to agree on timing as, in the majority of cases, the connection services must be completed at the same time as the meter installation. In most jurisdictions, the DNSP is the only party that can complete connection services.[7]

32 If no date or date range is agreed, then the retailer must install the meter within 15 business days of having received a request from an existing small customer to exchange the meter. The final rule specifies that the DNSP must coordinate the connection alteration with the retailer in order to allow the retailer to meet its timeframe obligations.[8]

Compliance and enforcement on customer-initiated timeframes

33 The final rule applies a firm requirement on the retailer to meet the installation timeframe where an alternative date has not been agreed with the customer. The Commission considers that the final rule should improve consumers' confidence in the meter installation process and agrees with the AER that a firm requirement would support the enforcement of the new obligations.

34 The Commission notes that there will be some circumstances where it is more difficult for retailers and metering parties to install a meter than others and the maximum timeframe cannot be met. For example, the meter may be at a multi-occupancy site (where an interruption to the power supply would affect other retail customers) or connection services to a premises may not be complete.

35 Where the retailer encounters these limited situations, the final rule provides an exception to the meter installation timeframe. In these cases, the retailer should provide assistance to the small customer to resolve the issue, for example, by explaining why the installation cannot proceed and what the customer may need to do. Once the issue causing the exception has been resolved, the time for the installation will be (as applicable) at a new time agreed with the customer, or the timeframe will restart from the beginning.

Timeframes for rectifying a malfunctioning meter

36 The final rule harmonises the existing timeframes in the NER for metering coordinators to repair or replace a small customer's faulty meter with those for customer-initiated meter exchanges. This reflects that the installation process is similar in both scenarios and requires

6 In cases where the DNSP is not the party providing the connection service, the retailer will only be required to agree a date or date range with the customer.

7 Under clause 5A.A.1 of the NER, 'connection services' includes either (1) a service relating to a new connection for a premises; or (2) a service relating to a connection alteration for a premises. It does not include providing, installing or maintaining a metering installation at a premises.

8 Where the connection services for a site are provided by a party acting as an agent of the customer, such as an accredited service provider in New South Wales, the DNSP is not subject to an obligation to coordinate as it is not the party providing the connection service.

coordination between several parties.

37 Under the final rule, metering coordinators must replace or repair a small customer's malfunctioning meter as soon as practicable, but no later than 15 business days after they have been notified of the meter installation malfunction.

38 The Commission understands that, since the introduction of metering contestability, AEMO has granted a number of exemptions to metering coordinators seeking to extend the timeframe in which to replace a malfunctioning meter. The new obligations recognise that meter installations can take longer than 10 business days, given the need for coordination between multiple parties.

39 It is important to note that malfunctioning meters do not generally result in customers losing their electricity supply. In rare cases where a customer has experienced a loss of electricity as a result of a faulty meter, the local DNSP should undertake its usual practices to maintain supply until it is repaired or replaced.

Additional measures to reduce meter installation delays

40 The final rule also includes other measures to reduce meter installation delays and increase consumer confidence in the industry. These include imposing new obligations on retailers to inform small customers of the meter installation timeframes for customer-initiated works, as well as a recommendation to the COAG Energy Council to extend the current civil penalty provisions on timeframes for malfunctioning meters to other types of meter installation arrangements.

41 The final rule also provides more flexibility for retailers and DNSPs to notify customers of planned interruptions to their electricity supply. Under the final rule, the retailer or DNSP may engage with the customer in the first instance to find a suitable date or a date range for the works to proceed.[9] If the retailer or DNSP is unable to contact the customer, then it will need to provide a minimum of four business days' notice to the customer of the planned interruption.

42 In addition, the final rule contains a recommendation to AEMO to streamline the appointment process for metering parties in certain circumstances. The Commission considers that this measure should assist retailers in reducing the time it takes to install a meter.

Rules not made

43 The Commission has decided against adopting several of the proposals suggested by the AEC in its rule change request.

44 In particular, the final rule does not remove the requirement for retailers to provide planned interruption notices to large customers. Instead, the rule extends to large customers the same ability to agree on a date or date range for a planned interruption as small customers. The Commission considers that this will provide increased flexibility for retailers and large customers, while maintaining an appropriate level of consumer protection.

9 Life support customers will not be able to agree to a date range for a planned interruption.

45 In addition, retailers will also continue to be required to provide a 24 hour telephone contact number for enquiries when they provide an affected customer with a planned interruption notice. The Commission did not accept the AEC's proposal to remove this obligation, due to the risk that a small customer may not have a method to reach the retailer if the planned interruption occurs outside of business hours.

46 There has been no change made to the NERR under the final rule in relation to new smart meter deployments to small customers. This means that retailers will continue to be required to provide two opt out notifications of a new meter deployment to small customers.[10] The current process is an important consumer protection under the *Competition in metering* rule and was designed to provide customers with information on issues such as charges and the timing of the meter deployment. The Commission considers these are important customer protections that should be retained.

Implementation

Commencement of the final rule

47 The provisions in the final rule relating to meter installation timeframes and planned interruption notices will now both commence on 1 February 2019. This is a change from the draft rule determination, which proposed an earlier commencement date of 6 December 2018 for the provisions related to planned interruption notifications, and 1 January 2019 for the provisions related to metering installation timeframes.

48 The Commission is cognisant that the new obligations placed on retailers, metering providers and DNSPs under the final rule will require changes to their systems, processes and contractual relationships with other parties. In their submissions to the draft rule determination, retailers and metering parties requested the implementation of the rule be deferred past 1 January 2019.

49 However, those concerns need to be balanced against the costs of delaying implementation, including the substantial benefits to consumers that may arise from the final rule. Taking these factors into account, the Commission considered that a commencement date of 1 February 2019 for the final rule is preferable.

50 The commencement date of the rule has been aligned with that for the *Strengthening protections for customers requiring life support equipment* rule. Both rules will require DNSPs and retailers to make requisite changes to their standard retail contracts and deemed standard connection contracts. The Commission considered that it would be preferable to align the commencement dates of the two rules so that retailers and DNSPs can make these changes at the same time, in order to minimise the overall costs of regulatory compliance for these parties.

Transitional provision

51 The final rule includes a transitional provision which specifies that, for small customers that

10 Unless a customer has waived their right to opt out of notifications under the terms of their market contract.

have a request for a meter installation outstanding with their retailer as at 1 February 2019, the commencement of the relevant metering installation timeframe will take effect. An exception to this is where the customer has agreed to, or agrees to upon notification, a future date or date range for installation with the relevant parties.

52 The Commission included this transitional provision in the final rule to ensure that customers that are suffering from meter installation delays and have lodged a request prior to 1 February 2019 also benefit from the consumer protection provided by the final rule.

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APPENDICES

TABLES

FIGURES

1 RULE CHANGE REQUESTS

1.1 The rule change requests

The Commission received the following rule change requests:

- On 5 March 2018, the Australian Government submitted a rule change request that would impose obligations on electricity retailers to install a meter within a specified timeframe.
- On 5 May 2018, the Australian Energy Council (AEC) submitted a rule change request to:
  - extend the timeframes in which faulty electricity meters must be replaced
  - allow customers to opt out of the written notification requirements involved in a retailer led deployment of advanced meters
  - address several issues related to planned interruption notices.[11]

These rule change requests seek changes to the National Electricity Rules (NER) and the National Energy Retail Rules (NERR) to address delays in the installation of advanced meters, which many small customers have been experiencing since 1 December 2017. The Commission has consolidated the rule change requests in order to streamline the consultation process for stakeholders.

1.2 Current arrangements

1.2.1 Types of electricity meters

Different meter types measure usage in different ways. For electricity, there are seven different types of metering services classified under the NER.

Large customers have advanced meters that are capable of capturing large volumes of electricity flow.[12] Some large customers have current transformer (CT) meters, which measure a fraction of the current passing through the connection, with a multiplier applied to reflect the actual usage.

Small customers generally have accumulation meters[13], manually read interval meters[14], or advanced meters[15].

Accumulation meters

Most small customers in the National Electricity Market (NEM) currently have an accumulation meter, which performs basic metering functions and must be read manually. These meters record the total amount of energy used since the meter was installed, with customers billed based on the difference between reads. As a consequence, customers are often on a simple

11 Including allowing electricity retailers to give customers less than four business days' notice of a planned outage, where the customer agrees; removing the application of the planned interruption notification obligations on retailers for large customers; and only requiring the retailer to provide a telephone number for enquiries regarding planned interruption notices during business hours instead of a 24 hour telephone line.

12 That is, type 1, 2, 3 or 4 metering installations. These are metering installations that allow electricity flows above 0.75 GWh per annum.

13 These are also called type 6 meters.

14 These are also called type 5 meters. In Victoria, type 5 interval meters can often be remotely read.

15 These are also called type 4 meters.

tariff such as a flat rate for electricity, and have limited ability to understand or manage their energy usage to reduce their electricity bills.

Interval meters

Manually read interval meters (MRIM) are also common for small customers in some distribution networks. These meters take measurements of how electricity is used in each 30-minute interval. Interval meters can support some services for customers, such as different tariff arrangements, but many do not have communications functionality to be remotely read and controlled. Therefore, there is limited ability for customers with MRIMs to understand and manage their electricity usage in real time.

Advanced meters

Advanced or smart meters are interval meters that are able to provide a minimum set of services, such as remote meter reading. From 1 December 2017, all new meter installations and replacement meters must be an advanced meter that is capable of providing a set of minimum services.[16]

In some circumstances, the *Competition in metering* rule change provides that a type 4A meter can be installed.[17] A type 4A meter has the same features of an advanced meter except that it has its communications functionality deactivated.

1.2.2 Consumer benefits of advanced meters

Advanced meters are a key foundation for the transformation of the energy market. They enable customers to better understand and manage their electricity use and costs, and enable them to access new services. Advanced meters are also a pre-requisite for the implementation of cost-reflective tariffs, which will deliver savings in network costs and average prices for consumers.

Advanced meters are expected to provide consumers with the following benefits:

- **Better information:** advanced meters can provide more granular information and price signals to better enable customers to make decisions about how and when to use electricity, and allow them to change their behaviour to lower costs. Customers could use a third party service such as an app or in-home display to see real-time information about their electricity usage.
- **Cost reflective pricing:** advanced meters can support different tariff structures. In addition to a flat tariff structure, customers may be able to choose from time-of-use or demand pricing structures or various forms of rebates to enable the customer to reduce their bill by moving electricity usage to off peak times. This can also help distribution network service providers (DNSPs) defer expensive augmentations to their network that are otherwise necessary to accommodate peak demand.

16 The required minimum services specification for advanced metering installations is set out in Schedule 7.5 of the NER and includes: remote disconnection; remote reconnection; remote on-demand meter read; remote scheduled meter read; metering installation inquiry; and advanced meter reconfiguration, services.

17 For example, this can occur where the customer has refused to have a communications-enabled meter installed or the meter would be located in a region where there is no communications network (Clause 7.8.4 of the NER)

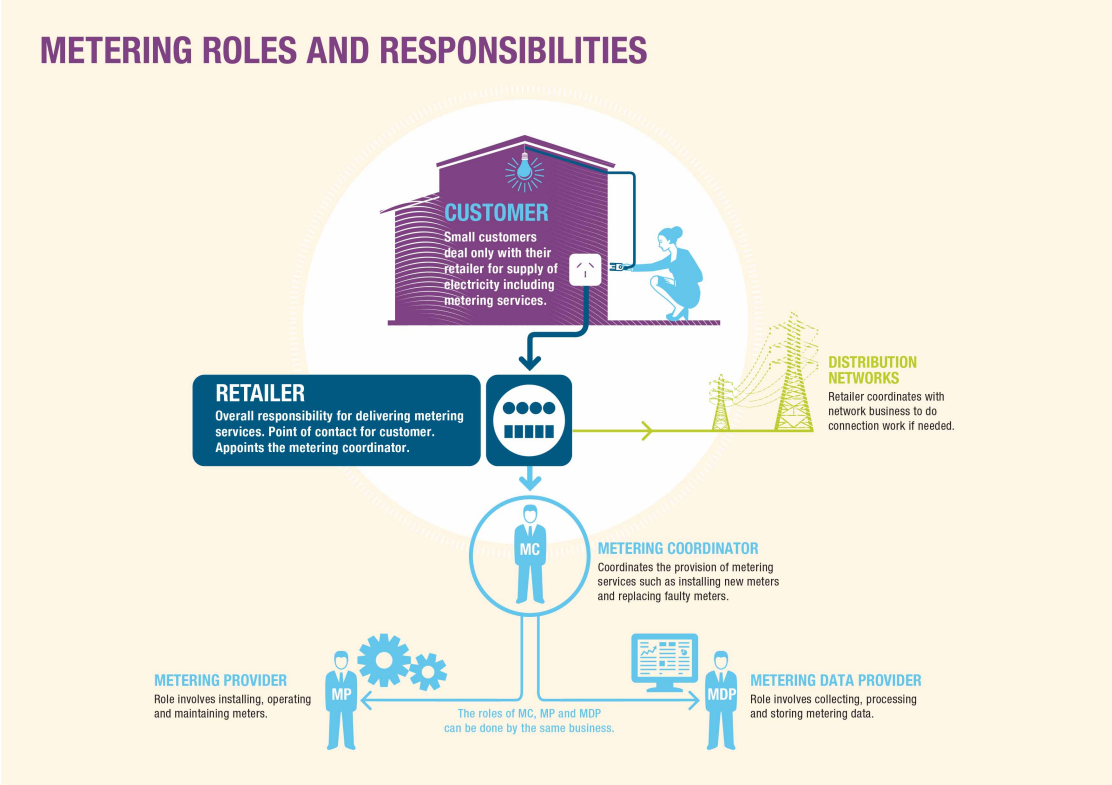
- **New products and services:** the *Competition in metering* rule supports the development of a market for new and innovative products and services. One example is an in-house display that uses the live consumption data from the advanced meter to provide consumers with detailed analytics about the appliance usage and associated costs. Another example is a demand response product that enables a third party to control certain parts of the customer's load (such as an air conditioner or pool pump) in return for an incentive.
- **Better retail service:** retailers are expected to offer more innovative pricing, product and service options for consumers. Advanced meters will also enable retailers to disconnect and reconnect their customers quickly, for example when they move house. The ability to remotely read meters will also facilitate quicker customer transfers, as well as giving customers more possibilities to reduce bill shock, for example through monthly billing arrangements if agreed to by the customer.
- **Better network service:** the information provided by advanced meters can give DNSPs a better picture of electricity consumption patterns and enable them to make more efficient network investment decisions. Also as mentioned above, demand management and other products may be able to help reduce peak demand and defer or avoid expensive network augmentations. This would benefit all consumers through lower network costs.

1.2.3 Metering roles and responsibilities

Prior to the commencement of the *Competition in metering* rule, the DNSP was responsible for the provision, installation and maintenance of a small customer's meter, as well as the collection and delivery of metering data.

In making the *Competition in metering* rule, the Commission considered that the metering services can be more effectively provided by entities that are operating competitively with each other. The rule ended the effective monopoly of DNSPs over the provision of metering services for small customers by allowing any party that meets certain registration requirements to provide those metering services. This was achieved by transferring responsibilities for metering services to the 'metering coordinator'.

Figure 1.1: Metering roles and responsibilities



Retailer

Under the NER, retailers are responsible for arranging metering services for small customers.[18] Retailers must appoint a metering coordinator for each of their small customer's connection points[19] and obtain a national metering identifier (NMI) for each meter.[20] In general, the retailer provides instructions to the metering coordinator for any metering work needed by the customer.

Metering coordinator, metering provider and metering data provider

The metering coordinator has overall responsibility for all issues related to the metering installations for which it has been appointed. The metering coordinator appoints a metering provider for each connection point to provide, install and maintain the meter installation.[21] The metering coordinator also appoints a metering data provider who is responsible for the collection and processing of metering data.

18 This is part of their responsibility as the financially responsible market participant (FRMP).

19 Clause 7.2.1(a) of the NER. Under clause 7.6.2(a)(3), a large customer may appoint its own metering coordinator.

20 Clause 7.8.2(c)(1) of the NER. This involves applying to the DNSP for a NMI and providing it to the metering coordinator within five business days of receiving it.

21 Clauses 7.3.2(a) and 7.8.1(c) of the NER.

Any person can perform one or more of these three metering roles provided that they are registered and accredited by AEMO. In practice, most metering coordinator businesses are also registered and accredited as metering providers and metering data providers. Under current AEMO procedures, these roles are appointed sequentially and the Market Settlements and Transfer Solutions (MSATS) contains mandatory objection periods of one day whenever a change request is initiated.[22]

DNSP

As mentioned above, DNSPs are no longer responsible for providing new or replacement meters for small customers. However, as a transitional arrangement the DNSP is the metering coordinator (and metering provider) for existing manually read meter installations, until the meter is replaced and the retailer appoints a new metering coordinator and metering provider.[23]

The DNSP is also responsible for the connection process for customers. While the installation of a meter is a necessary part of the connection process[24], it is no longer carried out by, or the responsibility of, DNSPs. The connection process for small customers is set out in Chapter 5A of the NER and does not impose any requirements for the timeframes involved in completing the physical work needed for a new connection.

Some jurisdictions impose customer service standards on DNSPs that include timeframes for connection services. For example:

- In Victoria, the DNSP must use its best endeavours to connect new supply on the date agreed with the customer, or otherwise must connect supply within ten business days of the request.[25]
- In South Australia, the DNSP must use its best endeavours to connect new supply on a date agreed with the customer, or otherwise within six business days of the customer meeting the necessary preconditions.[26]
- In Queensland, the DNSP must complete connection services within a number of set timeframes which vary in length from 5 business days to 30 business days based on the type of connection work. The connection works subject to these timeframes include new connections, reconnections, disconnections and alterations.[27]

1.2.4 Installing or replacing electricity meters

The different scenarios for installing or replacing a meter can broadly be grouped into three categories:

22 Objection logging periods for changing these roles are listed in AEMO's MSATS Procedures.

23 Clause 11.86.7 of the NER.

24 Providing, installing or maintaining a metering installation for premises is specifically excluded in the definition of connection service in clause 5A.A.1 of the NER.

25 Essential Services Commission Victoria, *Electricity Distribution Code*, Version 9 December 2015, section 2.2.

26 Essential Services Commission South Australia, *Electricity Distribution Code*, Version 12.1 January 2018, section 2.3.1(b). The necessary preconditions are not defined in the Code.

27 Queensland Government, *Electricity Distribution Network Code*, Version 2 January 2018, section 3.7.

1. **Customer-initiated installations:** These include meter installations for new connections, as well as exchanging an existing meter. Some meter exchanges require an upgrade to the customer's connection[28], while others do not.
2. **Replacement of malfunctioning meters**: These include:
   - the requirement to repair a single meter due to one-off conditions such as weather damage or a production fault, or
   - 'family failures' that result from a type of meter showing an unacceptably high failure rate during meter testing, leading to the whole fleet of meters needing to be replaced.
3. **Retailer led installations:** Under the NER, retailers can choose to deploy a fleet of new meters (a 'new meter deployment') to its customers, in order to benefit from the functions provided by the technology, such as remote meter reading.

The NER specifies that the metering coordinator must arrange for a small customer's faulty meter to be repaired within ten business days of being notified of the malfunction.[29] For large customers, the metering coordinator must arrange for the faulty meter to be repaired within two business days of being notified of malfunction.[30] These scenarios are discussed in more detail in Chapter 5.

While there are timeframes in the NER regarding the replacement for malfunctioning meters, there are no requirements regarding timeframes to install meters for new connections, meter exchanges or retailer-initiated installations.

Business-to-business (B2B) e-hub

AEMO's B2B e-hub supports and facilitates communications between different parties involved in providing services which involve metering. AEMO, DNSPs, retailers, market customers, metering providers and metering data providers are required to comply with B2B procedures.

The most recent reform of the B2B framework was designed to commence in alignment with the *Competition in metering* rule and provides an agreed set of communications to facilitate the provision of metering services for small customers.[31] It also allows parties to agree to use an alternative communication method. It is the Commission's understanding that most metering parties have chosen to utilise B2B communication to facilitate meter installations.

Accredited Service Provider Scheme

Prior to the *Competition in metering* reforms, electricians in New South Wales could become accredited service providers (ASPs) under a New South Wales' Government scheme. This

28 For example, where a customer installs a power-intensive device such as a large air conditioner and requires a three-phase electricity connection.

29 Clause 7.8.10(a)(2) of the NER (This clause is classified as a civil penalty provision). Another timeframe imposed, although not impacting the installation timeframes, is that the metering coordinator must provide AEMO with the details of the metering installation within ten business days of receiving the NMI from the retailer. See clause 7.8.2(e) of the NER.

30 Clause 7.8.10(a)(1) of the NER (this clause is classified as a civil penalty provision).

31 AEMC, *Updating the electricity B2B framework Rule Determination*, 2016, pp. 144

means that they could install accumulation or manually read interval meters on behalf of the DNSP.[32]

Under the new rules, the installation and maintenance of meters is now the responsibility of the metering provider. In New South Wales, the metering provider can engage the services of a qualified ASP to conduct metering related works if it chooses.[33] ASPs are also permitted to perform other services, such as supply connection works, and can be contracted by the customer in order to do so.[34] When a customer engages an ASP directly, the metering provider will install the required meter and co-ordinate with the ASP for connection of supply.[35]

It is the Commission's understanding that ASPs are not participants in the B2B e-hub.

1.2.5 Implementation of *Competition in Metering*

The *Competition in metering* final rule determination was published on 26 November 2015. Since then, a significant industry-wide implementation program has been underway to prepare for commencement of the reforms. This included:

- AEMO amending the relevant procedures
- the AER developing ring-fencing guidelines for DNSPs to provide competitive services
- AEMO developing a registration process for metering coordinators
- retailers and DNSPs amending their standard contracts for customers
- businesses and AEMO updating their systems and internal processes.

An industry-wide program of this scale comes with risks, including challenges in completing system changes and arranging commercial agreements in time for commencement, as well as managing customer risks associated with new connections, transfers, faults and emergencies. To identify and mitigate these risks, AEMO and market participants worked together intensively through a formal process, which included monthly industry readiness reporting and undertaking monitoring and reporting of industry risks.

As a result of a separate government-mandated roll-out under the advanced meter installation (AMI) program, almost all Victorian consumers already have advanced meters that were installed by DNSPs. The Victorian government has made significant derogations from the metering provisions in the NER, with the result that key changes that were made in the *Competition in metering* rule do not apply in Victoria and metering services continue to be provided by DNSPs as a regulated monopoly service. In addition, the NERR does not apply in Victoria.

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32 New South Wales Department of Planning and Environment, *NSW Accredited Service Provider (ASP) Scheme Rules*, December 2017, part 2.

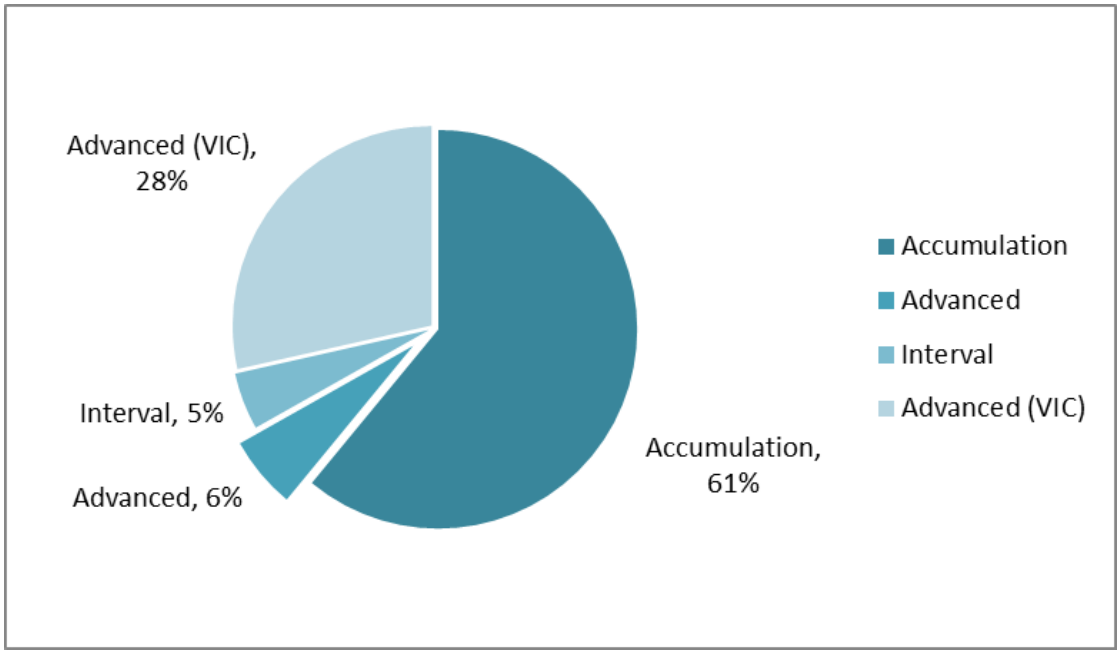
33 Under the NER, there is no requirement on the metering provider to engage an ASP to perform metering related works. A metering provider may engage an electrician that is not an accredited service provider if it so chooses.

34 New South Wales Department of Planning and Environment, *NSW Accredited Service Provider (ASP) Scheme Rules*, December 2017, part 1.

35 AEMO, *B2B Guide*, March 2017, section 6.

Since 1 December 2017, approximately 200,000 small customer advanced meters have been installed across the NEM, excluding Victoria. A significant portion of the installations have occurred since the transition period ended on 31 March 2018. Many advanced meters were also installed during the transition to the new rules, with a total of approximately 600,000 advanced meters having been installed outside of Victoria since the *Competition in metering* rules were made in November 2015.

Figure 1.2: Metering installations in the National Electricity Market by type



Source: AEMO, Market Settlement and Transfer Solutions (MSATS) - M74, 31 October 2018.

1.3 Rationale for the rule change requests

Both rule change requests relate to delays in the installation of advanced meters, which many small customers have been experiencing since 1 December 2017.

1.3.1 The Australian Government's rule change request

The rule change request noted that "since the commencement of the new rules, the Australian Government has become aware of complaints from small customers relating to delays in receiving new meters".[36] It noted that, while there are timeframes regarding the replacement of malfunctioning meters, there are no requirements regarding timeframes to install meters in other circumstances, such as a new connection or where a customer is seeking an upgraded meter to access electricity products and services.

36 The Australian Government, Rule change request, *Metering installation timeframes*, p. 2.

The rule change request is concerned with the negative impacts of installation delays on small customers. For new connections, delays mean the customer is unable to access electricity. For replacement meters, the customer is unable to access new electricity products and services until the upgrade is complete, resulting in a poor customer experience and potentially slowing the deployment of advanced meters. Where the new services allow customers to reduce their energy bills, the Government expresses a concern that installation delays may result in higher bills than necessary.[37]

1.3.2 AEC's rule change request

In its rule change request, the AEC raised the concern that some of the obligations that were transferred from DNSPs to retailers and metering coordinators in the *Competition in metering* final rule are taking longer to complete now that more participants are involved in the installation process. While previously the DNSP carried out all tasks, the retailer must now appoint a metering coordinator and metering provider and coordinate the tasks.

In particular, the AEC argued that the following obligations imposed under the *Competition in metering* rule limit the flexibility of retailers and metering parties and contribute to delays in installing new meters:[38]

- the requirement for retailers to provide advance notice to small and large customers of a planned interruption of supply
- the requirement for retailers to provide a 24 hour phone number for inquiries about retailer planned interruptions to the customer's electricity supply
- the requirement for retailers to notify customers of a new meter deployment, including allowing them to opt-out of the deployment if they choose to.

In addition, the AEC is of the view that replacing a small customer's meter in the case of a malfunction typically takes longer than the timeframe imposed under the NER, due to the obligations placed on retailers and metering parties.

1.4 Solutions proposed in the rule change requests

The rule proponents have proposed various changes to the NER and NERR that are aimed at preventing meter installation delays for small customers.

1.4.1 Solutions proposed by the Australian Government

To address issues relating to meter installation timeframe delays, the Australian Government proposed the following solutions:

1. Amend the NER to require the retailer[39] to use its best endeavours to provide a meter installation on a date agreed with the customer, or otherwise within six business days

37 ibid.

38 AEC, rule change request, *Metering installation timeframes*, p. 2.

39 The obligation would be placed on the retailer in their role as the financially responsible market participant (FRMP) for the customer's connection point.

after the customer has met the necessary preconditions. Preconditions could include the following:[40]

a. the retailer has received a formal request from the customer for the new or replacement meter
b. an electrician has confirmed the site is safe and ready for the meter installation
c. the DNSP has advised that the meter installation can proceed
d. the customer agreement with the retailer is in place.

2. Amend the NERR to include a new obligation on retailers to inform small customers of their rights in relation to the timing of the meter installation requirements under the rules.[41] The Government suggested that this obligation may form part of the terms and conditions of the customer's standard or market retail contract.

While the rule change request did not discuss whether the proposal would apply to the replacement of malfunctioning meters, the Commission understands that it is only intended to operate in situations where installation timeframes do not currently apply, such as for customer-initiated meter installations or meter exchanges.

The rule change request noted that there may be circumstances in which a retailer, regardless of its best endeavours, is unable to meet an installation timeframe. This might include extreme weather events, meter accessibility issues, or if specific safety precautions must be taken with the meter installation (for example if there is asbestos in the meter board). In these circumstances, the meter installation is not able to proceed until the situation causing the delay passes or is rectified. The rule change request noted that the best endeavours requirement on the retailer is intended to acknowledge these situations.

The rule change request did not include a proposed rule.

1.4.2 Solutions proposed by the AEC

To address issues relating to meter installation timeframe delays, the AEC proposed the following solutions:

1. Addressing several issues relating to planned interruption notices (PINs), including:[42]
   a. amending the NERR to allow customers (including life support customers) to agree with their retailer an alternative date for a planned interruption, even if this falls within the minimum four day notification period
   b. removing the requirement for retailers to provide planned interruption notices to large customers
   c. removing the existing requirement for retailers to provide a 24 hour phone number for all customers for inquiries about retailer led planned interruptions.
2. Allowing customers to opt out of notification requirements for retailer led deployments of advanced meters.

40 The Australian Government, Rule change request, *Metering installation timeframes*, pp. 3-4.
41 The Australian Government, Rule change request, *Metering installation timeframes*, p. 3.
42 AEC, rule change request, *Metering installation timeframes*, pp. 11-15.

The AEC also proposed that the existing requirement to repair a faulty meter within ten business days be extended to 20 business days to address coordination and notification challenges associated with replacing faulty meters.[43]

The rule change request included proposed amendments to the NER and to the NERR.

1.5 The rule making process

On 31 May 2018, the Commission published notices advising of its commencement of the rule making process and consultation in respect of the rule change request.[44] A consultation paper identifying specific issues for consultation was also published. The Commission received 24 submissions. Issues raised in these submissions were summarised and responded to in the draft rule determination.

On 13 September 2018, the Commission published a draft rule determination and a draft rule.

Submissions on the draft rule determination closed on 25 October 2018. The Commission received 32 submissions on the draft rule determination.

The Commission also hosted a public workshop to discuss the draft rule in Adelaide on Friday 12 October 2018. A live webcast was provided to stakeholders who were not able to attend the workshop in person. The workshop was well-attended by stakeholders, including respresentatives from metering businesses, retailers, DNSPs and regulatory bodies.

In making this final rule determination, the Commission has considered all issues raised by stakeholders to the consultation paper and draft rule determination. Issues raised in submissions are discussed and responded to throughout this final rule determination. Issues that are not addressed in the body of this document are set out and addressed in Appendix A.

1.6 Industry forums and workshops conducted by regulatory bodies

In parallel to the Commission's rule change process, regulatory bodies and jurisdictional officials have conducted workshops and forums to facilitate the development of solutions to address the meter installation delays experienced by customers.

For example, the Commission, the AER, AEMO, ESCOSA and EWOSA have held a number of industry forums in South Australia with major energy retailers, the DNSP and representatives of electrical contractors and builders.

The industry forums focused on developing short-term, industry led solutions to address meter installation delays in South Australia while the rule change process is ongoing. The forums have led to some improvements to the situation in South Australia and have reduced the number of complaints received by EWOSA.

43 AEC, rule change request, *Metering installation timeframes*, p. 11.

44 This notice was published under s.95 of the National Electricity Law (NEL).

In addition, the Commission, the AER and AEMO will host a separate workshop in Adelaide in December 2018 with retailers, DNSPs, other industry groups and jurisdictional governments with an aim to develop standard solutions for cases where metering related works necessitate an interruption to the supply of third party customers, such as in multi-occupancies that are behind the same point of isolation. The Commission expects that this issue will be a focus of interest to the electricity industry over the coming months.

2 FINAL RULE DETERMINATION

The Commission's final rule determination is to make a more preferable final rule under the NEL and NERL.

The final rule imposes new requirements on retailers to install a new or replacement meter within a maximum timeframe. This timeframe applies when a small customer has initiated the request for the meter and has not agreed to alternative timing for the installation.[45]

The final rule is based on the solutions proposed in the Australian Government's rule change request and adopts key aspects of the changes to the National Electricity Rules (NER) and the National Energy Retail Rules (NERR) proposed by the Australian Government.

The Commission's reasons for making this final determination are set out in section 2.4. Further information on the legal requirements for making this final rule determination are set out in Appendix B.

2.1 The Commission's final rule determination

The final rule made by the Commission is attached to and published with this final rule determination. The key features of the more preferable final rule are:

- Retailers will be required to provide a meter installation for a new connection or a simple meter exchange by a date agreed with the small customer. If no timing can be agreed, then the retailer will need to install the meter within six business days at a new connection, or within 15 business days if the customer has requested a simple meter exchange.
- For complex meter exchange where connection alteration is required, retailers will be required to provide the meter by a date agreed with the small customer and the DNSP. If no timing can be agreed, then the retailer will need to install the meter within 15 business days. The DNSP must coordinate with the retailer in order to allow the retailer to meet its timeframe obligations.
- Retailers will be required to inform small customers of the new timeframe requirements regarding customer-initiated meter installations.
- Metering coordinators will be required to replace or repair a small customer's malfunctioning meter as soon as practicable, but no later than 15 business days after they have been notified of the meter installation malfunction.
- A retailer and DNSP may engage with a small or large customer to agree either a date range of five business days or a specific date for a planned interruption to occur.[46] If the customer does not agree to timing, then the retailer or DNSP (as applicable) will need to provide a minimum of four business days' notice to the customer of the planned interruption.

45 An exception to the timeframe requirement may apply in limited cases including where the installation of a meter cannot proceed due to circumstances outside the control of the retailer and metering parties.

46 Where a person residing at the customer's premises requires life support equipment, the party arranging the planned interruption may only agree a specific date, not a date range.

BOX 2: CHANGES BETWEEN THE DRAFT AND FINAL RULE

The final rule largely retains the content and form of the draft rule. However, a number of changes have been made between the draft and final rule to enhance the operation of the rule and to clarify its intent.

A key change under the final rule is that customers are now able to agree to a date range for metering works or connection services that require an interruption to the customer's electricity supply. Customers can also agree for the planned interruption to be on a specific date.

This change was made to allow retailers and metering providers to deliver metering works more efficiently across a diverse and geographically dispersed customer base. The Commission also considered that providing customers and retailers with the flexibility to agree on a date range is likely to improve efficiency in meter installations, even if only some customers take up this option.

Other relevant amendments to the final rule include:

- requiring retailers to inform small customers in writing of the timeframes for customer initiated meter installations
- allowing for retailers and DNSPs to gain an exception to the meter installation timeframe in circumstances where a complex meter exchange requires augmentation to the network and this work has not yet been completed
- adding "on a date agreed with the small customer, and the Distribution Network Service Provider where the Distribution Network Service Provider is providing the connection alteration" to clause 7.8.10C(c)(1)(i) of the final rule
- allowing for retailers and DNSPs to gain an exception to the meter installation timeframe in circumstances where a business customer with multiple small sites has elected to be treated as a large customer for the relevant premises
- adding a new exception for meter installations at new connections, where the site is not ready for the meter to be installed
- amending clauses 11.86.1 and 11.86.7 of the NER to align the timeframe requirements imposed on metering co-ordinators for repairing metering installation malfunctions under the final rule to apply to customers with type 5 or 6 meters (where the Local Network Service Provider is the metering coordinator)
- mirroring the obligations across retailer and distributor planned interruption notices (PINs)
- amending the record keeping provisions to specify that retailers and DNSPs need to retain evidence of customer consent to an agreed date or date range for a planned interruption for two years
- removing the requirement on retailers to inform the DNSP directly of the retailer's 24 hour telephone number for enquiries when advising them of a retailer planned interruption

- adding a transitional provision which specifies that, for small customers with an outstanding request for a meter installation with their retailer as at 1 February 2019, the commencement of the relevant metering installation timeframe will take effect.

The provisions in the final rule relating to meter installation timeframes and planned interruption notices will now both commence on 1 February 2019. This change was made to align the rule with the commencement of the *Strengthening protections for customers requiring life support equipment* rule.

Both rules will require DNSPs and retailers to make changes to their standard retail contracts and deemed standard connection contracts. The commencement dates have therefore been aligned so that retailers and DNSPs can make these changes at the same time.

2.2 Rule making test

2.2.1 Achieving the national electricity objective and national energy retail objective

National electricity objective

Under the NEL, the Commission may only make a rule if it is satisfied that the rule will, or is likely to, contribute to the achievement of the national electricity objective (NEO).[47] This is the decision-making framework that the Commission must apply.

The NEO is:[48]

> to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to:
>
> (a) price, quality, safety, reliability and security of supply of electricity; and
>
> (b) the reliability, safety and security of the national electricity system.

National energy retail objective

Under the NERL, The Commission may only make a rule if it is satisfied that the rule will, or is likely to, contribute to the achievement of the national energy retail objective (NERO).[49] This is the decision-making framework that the Commission must apply.

The NERO is:[50]

> to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy.

47 Section 88 of the NEL.
48 Section 7 of the NEL.
49 Section 236(1) of the NERL.
50 Section 13 of the NERL.

The Commission must also, under the NERL, where relevant, satisfy itself that the rule is "compatible with the development and application of consumer protections for small customers, including (but not limited to) protections relating to hardship customers" (the 'consumer protections test').[51]

Where the consumer protections test is relevant in the making of a rule, the Commission must be satisfied that both the NERO test and the consumer protections test have been met.[52] If the Commission is satisfied that one test, but not the other, has been met, the rule cannot be made.

There may be some overlap in the application of the two tests. For example, a rule that provides a new protection for small customers may also, but will not necessarily, promote the NERO.

2.2.2 Making a more preferable rule

Under s. 91A of the NEL and s. 244 of NERL, the Commission may make a rule that is different (including materially different) to a proposed rule (a more preferable rule) if it is satisfied that, having regard to the issue or issues raised in the rule change request, the more preferable rule will or is likely to better contribute to the achievement of the NEO and NERO.

In this instance, the Commission has made a more preferable rule. The reasons are summarised below.

2.3 Assessment framework

In assessing the rule change request against the NEO and NERO, the Commission considered the following principles:

- **Consumer protection:** the degree to which the rule change would improve, or at least not interfere with, consumer protections. The Commission also considered whether the new rules are compatible with the development and application of relevant consumer protections under energy laws and regulations of Victoria.[53]
- **Efficient provision of electricity services:** the degree to which the rule change would reduce the likelihood that retailers undertake inefficient processes leading to consumers bearing higher costs. The Commission also considered how delays in the installation of advanced meters may adversely affect the development of the energy services market.
- **Regulatory and administrative burden:** the degree to which the benefits of the rule change outweigh the implementation costs that would likely pass through to consumers in a workably competitive market.

51 Section 236(2)(b) of the NERL.

52 That is, the legal tests set out in s. 236(1) and (2)(b) of the NERL.

53 The AEMC is not required to take into account the consumer protections specific to non-NECF jurisdictions (that is, Victoria), as the proposed changes to the NERR would only apply in those jurisdictions that have implemented the NECF. However, Victorian consumer protections may have some relevance insofar as they indicate potential directions for the development of consumer protections in NECF jurisdictions.

2.4 Summary of reasons

The Commission has assessed whether the proposed rule change requests are, or are likely to, contribute to the achievement of the NEO and NERO. It has evaluated the proposed rule change requests against the assessment framework set out above.

Efficient use of energy

Currently, customers who cannot get timely installation of an advanced meter may miss out on benefits from new services that can help them manage their energy use and costs, and may lose confidence in participating in such services. The final rule imposes new requirements on retailers to install a new or replacement meter within a maximum timeframe.

The Commission considers that these new requirements are likely to reduce the instances of meter installation delays, and that they may provide customers with greater confidence about when their electricity meter will be installed.

Consumer protection

Delays in the installation of meters can have a severe impact on small customers, either through imposing financial hardship, leaving them without electricity supply or making it difficult to access new products and services. The Commission considered whether the proposed changes relating to meter installation delays would impede currently applicable consumer protections, or are consistent with such protections and are likely to be compatible with the future development of consumer protections.

The Commission is of the view that the final rule is likely to improve customer protections, and may result in fewer instances of harm to consumers as a result of meter installation delays. The Commission is also satisfied that the final rule is compatible with the development and application of relevant consumer protections under energy laws and regulations of Victoria.

Efficient provision of energy services

Having regard to stakeholder submissions to the consultation paper, the Commission considered providing retailers and DNSPs with more flexibility in relation to the provision of planned interruption notices is likely to reduce the timeframe in which an advanced meter is installed. The Commission considered the timely roll out of advanced meters will assist in the development of the energy services market.

Regulatory and administrative burden

The Commission considered whether the implementation or operation of the final rule would result in a disproportionate regulatory or administrative burden on retailers, metering parties and DNSPs, compared to the benefits of the final rule.

The Commission is cognisant that the proposed new obligations on retailers and DNSPs may necessitate changes to their systems, processes and contractual relationships with other parties. However, those concerns need to be balanced against the costs of no action,

including the substantial harm to consumers that may continue to arise from meter installation delays.

Taking these factors into account, the Commission considered the benefits to consumers under the new obligations outweigh the additional regulatory burden on retailers.

2.5 Other requirements under the NERL

In applying the rule making tests referred above, the Commission has also taken into account issues that are set out and addressed in Appendix B.

3 THE CASE FOR A RULE CHANGE

This chapter outlines the case for the final rule, including the meter installation delays and off-supply issues experienced by small customers since 1 December 2017.

3.1 Proponents' views

Both rule change requests relate to delays in the installation of advanced meters, which many small customers have been experiencing since 1 December 2017. As discussed in subsequent chapters, the rule change proponents have proposed various changes to the NER and NERR that are aimed at removing these delays for small customers, without compromising on other key considerations such as consumer safety.

In its rule change request, the Australian Government noted that "poor customer experiences in the early stages of the new contestable metering market have the potential to undermine confidence in this important reform."[54] Similarly, the AEC noted that installation delays have "resulted in a negative impact on customer experience giving rise to customer complaints to retailers[...]".[55]

3.2 Stakeholder views - submissions to the consultation paper

Many stakeholders advised that the delays are nationwide and apply to all types of meter installations for small customers, including new connections as well as alterations.[56] Comments included that:

- The most common complaint about delays for a new connection is the failure or inability of the retailer to provide a firm date for installation. The next most common is the failure to install on the date stated. Some of these delays appear to be because meter providers are unable to meet the demand. Others are due to breakdown in the information flow between customers, retailers and meter providers.[57]
- Electrical contractors reported that the installation process for meter alterations takes between 2.5 and 5.5 weeks, depending on location and work flow. This is an increase of between five and 14 days compared to before 1 December 2017.[58]
- The installation process for new connections commonly takes 8-12 weeks, and has had significant impact on the building industry given that new builds cannot be completed without an electricity meter. The Housing Industry Association (HIA) estimated that installation delays are adding around $2,000 to the cost of constructing a home.[59]

54 The Australian Government, Rule change request, *Metering installation timeframes*, p. 2.

55 AEC, Rule change request, *Meter installation timeframes*, p. 1.

56 Consultation paper submissions: Master Electricians Australia, p. 2; EnergyAustralia, pp. 1-2; EWOQ, pp. 1-2; ESCOSA, p. 1; EWOSA, p. 2; Dr Martin Gill, p. 1; South Australian Department for Energy and Mining, p. 1; HIA, pp. 1-2; Origin p. 1; AER, p. 1; Energy Queensland, p. 4; EWON, pp. 1-2.

57 EWON, submission to the consultation paper, p. 3.

58 Master Electricians Australia, submission to the consultation paper, p. 2.

59 HIA, submission to the consultation paper, pp. 1-2.

- Meter installations for new connections are reportedly taking four to six months on average in regional South Australia. In some cases, a lack of coordination between the parties now responsible for connection and metering services has led to customers being left off supply, sometimes for days.[60]

Several energy ombudsmen provided statistics indicating a significant increase in the number of customer disputes relating to meter installations since 1 December 2017. For example, the Energy and Water Ombudsman Queensland (EWOQ) noted that it had closed 456 cases in the 2017-18 financial year, compared to 97 cases in the previous year.[61] The Energy and Water Ombudsman of New South Wales (EWON) and the Energy and Water Ombudsman of South Australia (EWOSA) also provided data relating to disputes, displayed in the chart below.

Figure 3.1: Customer disputes related to meter installations - 2018

Source: Consultation paper submissions: EWON, p. 1; ESCOSA, p. 2.

Some retailers were of the view that the issues being experienced by small customers are not unexpected for a change of this nature and size.[62] Comments included that:

- Retailers are working together with metering providers, DNSPs, the Commission, AEMO, the AER, and state and federal governments to solve the meter installation delays.[63]
- The delays have largely resulted from adjustments required within retailers' and metering service providers' businesses as they take on new market roles as well as the need to 'scale' to be able to respond to customer requests.[64]
- Poor customer experience is partly due to participants interpreting the energy rules and procedures differently.[65]

60 ESCOSA, submission to the consultation paper, p. 2.
61 EWOQ, submission to the consultation paper, pp. 1-2.
62 Consultation paper submissions, EnergyAustralia, p. 2; Vector, p. 1; Powershop, p. 1, Red Lumo, p. 1; AGL, p. 1.
63 EnergyAustralia, submission to the consultation paper, pp. 1-2.
64 Vector, submission to the consultation paper, pp. 3-4.
65 AGL, submission to the consultation paper, p. 1.

- There are occasions where the lack of co-ordination or reluctance from DNSPs to assist are causing meter installation delays.[66]

Most stakeholders were in agreement that the delays are not solely the result of implementation issues on the part of retailers and metering parties, and that the current rules need to change. Energy ombudsmen, consumer groups, government departments and other industry bodies were supportive of introducing a regulated timeframe for meter installations.[67] In contrast, retailers were of the view that existing issues in the rules should be fixed before introducing a new requirement on retailers to meet meter installation timeframes.[68]

3.3 Stakeholder views - submissions to the draft rule determination

In response to the Commission's draft rule determination, EWON provided data indicating that the number of customer disputes relating to meter installations remained elevated through July to September 2018.[69] The Tasmanian Government noted that there have been major concerns across all jurisdictions, including Tasmania, about customer impacts from meter installation delays.[70]

Many stakeholders were supportive of the measures in the draft rule.[71] Comments included that:

- the absence of defined rules governing the installation timeframes for new connections and meter exchanges has created uncertainty[72]
- the rule will result in better customer outcomes by giving customers more certainty about when their meter will be installed.[73]

Several retailers and DNSPs indicated that there has been concerted effort by industry to resolve metering installation delays in parallel to this rule change process, including increasing engagement with electrical contractors.[74]

3.4 Analysis

3.4.1 Importance of metering contestability

The roll-out of advanced meters is progressing faster than expected. Over 500,000 small electricity customers outside Victoria now have an advanced meter. In South Australia, these customers make up almost ten percent of the market.

66 EnergyAustralia, submission to the consultation paper, p. 10.

67 Consultation paper submissions: Master Electricians Australia, p. 3; ESCOSA, p. 1; South Australian Department for Energy and Mining, p. 1; AER, p. 2; EWON, p. 1.

68 Consultation paper submissions, EnergyAustralia, p. 2; Vector, p. 1; Powershop, p. 1, Red Lumo, p. 1.

69 EWON, submission to the draft determination, p. 1.

70 Tasmanian Department of State Growth, submission to the draft determination, p. 1.

71 Including in draft determination submissions received from: TasNetworks, p. 1; EWOSA, p. 1; Ausgrid, p. 1; Simply Energy, p. 1; EWOQ, pp. 1-2.

72 Origin, submission to the draft determination, p. 1.

73 Ausgrid, submission to the draft determination, p. 1.

74 Draft determination submissions: Aurora, p. 1; SAPN, p. 1; ENA, p. 1; Energy Queensland, p. 1;

Advanced meters are a key foundation for the transformation of the energy market. They enable customers to better understand and control their electricity use and costs, and enable them to access new services. They are also a pre-requisite for the implementation of cost-reflective tariffs, which will deliver significant savings in network costs and average prices for consumers.

A result of the metering contestability reforms is that the roll-out of advanced meters is being driven by consumer choice, rather than regulation. As anticipated, most advanced meter installation requests are coming from customers directly; rather than as a result of retailers choosing to undertake advanced meter deployments.

There is a risk that poor customer experiences in the early stages of the newly contestable metering market have the potential to undermine confidence in this important reform. As discussed below, delays in meter installations can cause significant harm to consumers and may reduce the likelihood that they take advantage of electricity products and services that could reduce their energy costs or usage.

3.4.2 Impact of meter installation delays

The Commission agrees with the views expressed by the Australian Government that delays in the installation of meters can have a severe impact on small customers. This harm may result from:

- **No access to electricity:** When a meter installation is delayed at a new connection, the customer is unable to access electricity and will likely be unable to occupy the premises for the period of the delay.
- **Poor customer experience:** When a meter replacement is delayed, the customer may be unable to access new products and services until the upgrade is complete. This can result in poor customer experience and potentially slow the deployment of advanced meters.
- **Financial hardship:** Meter delays at a new connection can cause significant financial hardship for the customer; for example, they may need to pay for alternative accommodation or forgo rental income from the property. Where the new meter is enabling a service that allows the customer to reduce their energy bills, installation delays may also result in higher bills than necessary.

The amount and severity of cases where small customers have experienced meter installation delays since 1 December 2017 is of serious concern to the Commission. Although industry has taken some action to resolve the meter installation delays, the Commission considers that the situation remains unsatisfactory and that regulatory action is required.

3.4.3 Actions taken to resolve the delays

The Commission has been working closely, alongside other regulatory bodies such as the AER and AEMO, to resolve issues related to meter installation delays. This work has been conducted in parallel to the rule change process, so that outcomes for customers can be improved before the proposed rule commences.

While the issue of meter installation delays is a widespread problem, a pronounced lack of coordination between the parties now responsible for connection and metering services in South Australia has led to particularly severe cases in that state. In limited cases, customers have been left without electricity supply for days.[75]

To resolve this issue, the Commission, ESCOSA, the AER and AEMO have been holding regular workshops with retailers, metering businesses, SAPN, EWOSA and industry groups representing electrical and building contractors to identify solutions that can be implemented while the rule change process is in progress. The workshops have led to improvements in installation timeframes and reduced the instances of South Australian consumers being left without electricity supply as a result of metering related works.

In September 2018, the South Australian Government also obtained agreements from each of South Australia's largest electricity retailers to offer significant financial compensation for customers who are left waiting too long to receive a meter installation. These local regulations are expected to cease once the AEMC's final rule comes fully into effect on 1 February 2019.[76]

In addition, the Commission, the AER and AEMO will host a separate workshop in Adelaide in December 2018 with retailers, DNSPs, other industry groups and jurisdictional governments with an aim to develop standard solutions for cases where metering related works necessitate an interruption to the supply of third party customers, such as in multi-occupancies that are behind the same point of isolation. It is expected that this issue will be a focus of interest for the electricity industry over the coming months.

3.4.4 Commission's position

While the instances of delays should be considered in the context of the large number of completed meter installations, the impacts on affected customers are nevertheless significant. Delays in the installation of meters can have a severe impact on small customers, either through imposing financial hardship, leaving them without electricity supply or making it difficult to access new electricity products and services.

As a large proportion of complaints regarding meter installation are about retailers' inability to provide a firm date for installation, the Commission considers changes to the NER and NERR are required to provide customers with greater confidence over when their electricity meter will be installed.

The final rule imposes new requirements on retailers to install a new or replacement meter within a maximum timeframe. This timeframe applies when a small customer has initiated the request for the meter and has not agreed to an alternative date or a date range for the installation.[77]

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75 ESCOSA, submission to the consultation paper, p. 2.

76 South Australian Department for Energy and Mining, submission to the draft determination, p. 3.

77 An exemption to the timeframe may apply in limited cases where the meter installation cannot proceed due to circumstances outside the control of the retailer and metering parties.

The final rule also includes a range of additional measures to reduce delays and increase consumer confidence in the industry. These include:

- obligations on the retailer to inform small customers of the meter installation timeframes for customer initiated works
- a recommendation to the COAG Energy Council to extend the current civil penalty provisions on timeframes for malfunctioning meters to the new timeframes for other types of metering arrangements
- changing the notification requirements regarding retailer and distributor planned interruptions to make them more flexible
- a recommendation to AEMO that they streamline the appointment process for metering parties in certain circumstances.

The final rule harmonises the existing timeframes in the NER for metering coordinators to repair or replace a small customer's faulty meter with those for customer initiated meter exchanges. This reflects that the installation process is similar in both scenarios and requires coordination between several parties.

The Commission considers that the draft requirements on retailers to install a meter within a maximum timeframe strike an appropriate balance between enhancing customer protections and maintaining the benefits of the metering contestability reforms.

Chapters 3 to 7 provide detailed discussion on the operation of the final rule.

4 TIMEFRAMES FOR CUSTOMER-INITIATED METER INSTALLATIONS

The different scenarios for installing or replacing a meter can broadly be grouped into three categories. These are customer-initiated installations, replacement of malfunctioning meters and retailer led installations.

Customer-initiated meter installations include installations for new connections, as well as when an existing meter is exchanged at a customer's request. Some meter exchanges require an upgrade to the customer's connection to the electricity distribution network (known as a connection alteration), while others do not.

This chapter discusses the new timeframe requirements placed on customer-initiated meter installations. The final rule imposes requirements on retailers to install a new or replacement meter within a maximum timeframe.

Where the installation requires a DNSP to provide a connection alteration, the final rule specifies that the two parties must coordinate in order to allow the retailer to meet its timeframe obligations.

These timeframes apply when a small customer has initiated the request for the meter and has not agreed to an alternative date or date range for the installation.

BOX 3: CHANGES BETWEEN THE DRAFT AND FINAL RULE

The final rule largely retains the content and form of the draft rule. However, a number of changes have been made between the draft and final rule to enhance the operation of the rule and to clarify its intent.

A key change under the final rule is that customers are now able to agree to a date range for meter installations that require an interruption to the customer's electricity supply. Customers can also agree for the planned interruption to be on a specific date if they wish.

This change was made to allow retailers and metering providers to deliver meter installations more efficiently across a diverse and geographically dispersed customer base. The Commission also considered that a proportion of customers may be receptive to agreeing a date range for a meter installation, and that greater efficiencies are likely to result even if only some customers choose this option.

Other relevant amendments to the final rule include:

- requiring retailers to inform small customers in writing of the timeframes for customer initiated meter installations
- allowing for retailers and DNSPs to gain an exception to the meter installation timeframe in circumstances where a complex meter exchange requires augmentation to the network and this work has not yet been completed

- allowing for retailers and DNSPs to gain an exception to the meter installation timeframe in circumstances where a business customer with multiple small sites has elected to be treated as a large customer for the relevant premises
- adding a new exception for meter installations at new connections where the site is not ready for the meter to be installed
- adding "on a date agreed with the small customer, and the Distribution Network Service Provider where the Distribution Network Service Provider is providing the connection alteration" to clause 7.8.10C(c)(1)(i) of the final rule
- amending clauses 11.86.1 and 11.86.7 of the NER to align it with the timeframe requirements under the final rule.

4.1 Current arrangements

There are currently few requirements in the NER regarding the timeframes in which electricity meters must be installed. The notable exception is the requirement for a metering coordinator to arrange for the repair or replacement of a faulty meter within a specified timeframe.[78] This obligation is discussed in further detail in Chapter 5.

In situations where a customer has requested that a new or replacement meter be installed, there are no specified timeframes in which retailers and metering businesses must complete the installation. While some jurisdictions impose customer service standards on the DNSP that include timeframes for connection services[79], these requirements do not cover the timeframe in which a new or replacement meter must be installed by the retailer or the metering provider.

4.2 The Australian Government's view

In its rule change request, the Australian Government proposed a new obligation be placed on retailers[80] to use their best endeavours to provide a meter installation on a date agreed with the customer, or otherwise within six business days after the customer has met the necessary preconditions.[81] The rule change request suggested that preconditions could include the following:

- the retailer has received a formal request from the customer for the meter
- an electrician has confirmed the site is safe and ready
- the DNSP has advised that installation can proceed

78 This timeframe begins when the metering coordinator is notified of the malfunction.

79 Under clause 5A.A.1 of the NER, 'connection services' includes either (1) a service relating to a new connection for a premises; or (2) a service relating to a connection alteration for a premises. It does not include providing, installing or maintaining a metering installation at a premises.

80 The obligation would be placed on the retailer in their role as the financially responsible market participant (FRMP) for the customer's connection point.

81 The Australian Government, Rule change request, *Metering installation timeframes*, p. 2.

- the customer agreement with the retailer is in place.

The Government considered that this new obligation would provide greater certainty to customers about the timeframes for the provision of metering services.

In addition, the rule change request recommended a new obligation be placed on retailers to inform small customers of their rights in relation to the timing of the meter installation requirements under the rules.[82] The Government suggested that this obligation may form part of the terms and conditions of the customer's standard or market retail contract.

4.3 Stakeholder views - submissions to the consultation paper

4.3.1 Imposing a timeframe for customer-initiated meter installations

Energy ombudsmen, consumer groups, government departments, industry bodies, TasNetworks and Plus ES[83] were supportive of introducing a regulated timeframe for customer-initiated meter installations.[84] They were of the view that imposing a timeframe would contribute to improving customer confidence in the industry, including certainty for customers that any agreement with the retailer will be adhered to.

Most retailers and metering businesses were against introducing a timeframe for customer-initiated meter installations, with many advocating that existing issues in the rules should be fixed first.[85] Comments included that:

- imposing a regulated installation timeframe may drive a culture of 'install at all costs' to the detriment of safety[86]
- mandating a timeframe would impact existing commercial agreements and require resources to be diverted from ongoing work to improve the installation process.[87]

Stakeholders had mixed views regarding whether six days was a sufficient timeframe. Comments included that:

- timeframes for new connections should be no longer than six days, but they could be longer for certain types of meter upgrades[88]
- the field resourcing required to meet a six-day timeframe would ultimately lead to an unnecessary increase in costs for consumers[89]
- ten business days is more reasonable and reflects the steps involved in the installation process[90]

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82 The Australian Government, Rule change request, *Metering installation timeframes*, p. 3.

83 Plus ES is a metering service provider.

84 Consultation paper submissions: EWOQ, p. 2; EWON, p. 1; AER, p. 2; ESCOSA, p. 1; South Australian Department for Energy and Mining, p. 1; Dr Martin Gill, p. 2; HIA, p. 3; Master Electricians Australia, p. 3; TasNetworks, p. 1; Plus ES.

85 Consultation paper submissions: Aurora Energy, p. 1; EnergyAustralia, p. 2; Powershop, p. 1; Red Lumo, p. 1; Vector, p. 1; AGL, p. 1; AEC, pp. 2-3.

86 Powershop, submission to the consultation paper, p. 2.

87 Vector, submission to the consultation paper, p. 1.

88 EWOSA, submission to the consultation paper, p. 4.

89 Aurora Energy, p. 1.

90 Submissions to the consultation paper: AGL, p. 2; EnergyAustralia, pp. 6-7.

- timeframes for different types of metering work, including the replacement of malfunctioning meters, should be harmonised.[91]

Origin was strongly in support of the Government's proposal to allow customers and retailers to agree a date for the provision of metering services, noting that it would provide customers with more control and manage negative consumer experiences.[92]

4.3.2 When the timeframe should start

Many stakeholders were in favour of including both a defined starting point for the timeframe and a set of preconditions that need to be met.[93] Comments included that:

- The timeframe should commence once the retailer has sent a work request to install or replace the relevant meter to the appointed metering coordinator. Preconditions should include that the customer has accepted any quote for the metering work and has provided payment.[94]
- The 'clock' start should be the latter of either of following preconditions (a) the retailer has received a formal request from the customer for the new or replacement meter, or (b) an electrician has confirmed the site is safe and ready.[95]
- Preconditions should include that the meter installation is customer-initiated; the customer has arranged an appointment where they require the job to be completed at a specific date or time; and the metering coordination has received a notice indicating that supply is connected (where applicable).[96]

The AEC was not in favour of setting preconditions, on the basis that any initial steps not included in the timeframe may "become conflated in the customer's mind with the meter installation itself."[97]

4.3.3 Exceptions to the timeframe

The AER expressed a strong preference that any new timeframe is not subject to a 'best endeavours' requirement, on the basis that this would present a significant impediment to its effective enforcement.[98] Energy Queensland was also against a 'best endeavours' provision, noting that customers might overlook the requirement and interpret the timeframe as a "hard and fast rule".[99]

91 TasNetworks, submission to the consultation paper, p. 1.
92 Origin, submission to the consultation paper, p. 1.
93 Consultation paper submissions: EWOQ, p. 3; Energy Queensland, p. 8; Plus ES, p. 5; Powershop, pp. 2-3; Aurora Energy, p. 1; Vector, p. 5.
94 Energy Queensland, submission to the consultation paper, p. 8.
95 EWOQ, submission to the consultation paper, p. 3.
96 PLUS ES, submission to the consultation paper, p. 5.
97 AEC, submission to the consultation paper, p. 3.
98 AER, submission to the consultation paper, p. 2.
99 Energy Queensland, submission to the consultation paper, p. 7.

Retailers and metering businesses were of the view that exceptions to the installation timeframe should apply for a range of issues that are outside of their control, including where:[100]

- the retailer or metering coordinator is unable to gain access to the site
- supply is not connected on the expected date
- the meter installation is at a multi-occupancy site, where an interruption to the power supply would affect other customers
- electrical or other safety constraints, such as the presence of asbestos, prevent work from proceeding
- work needs to be rescheduled at the request of the customer or because the weather is bad.

4.3.4 Other issues raised by stakeholders

Who the obligation should be placed on

EnergyAustralia argued that any obligation to meet a timeframe for customer-initiated meter installations should be on the metering coordinator and the DNSP, in addition to the retailer.[101] Aurora Energy was of the view that the risks associated with a retailer not meeting an installation timeframe can only be partially re-allocated through their contractual arrangements with metering coordinators; meaning that the risks are not fully allocated to the parties that can best manage them.[102]

Remote customers

Many stakeholders highlighted that consideration should be given to how any meter installation timeframe would apply to customers in a rural or regional area.[103] Comments included that:

- Installing a new meter for a customer supplied via rural feeders is a complex and time-consuming process, involving the coordination of network crews and metering providers to attend dispersed and remote premises at a mutually convenient time to install or replace a meter.[104]
- It is more cost-effective for customers if retailers have some flexibility to batch jobs together. If regulations are more difficult or costly for retailers to comply with in remote locations, then this could lead to retailers becoming unwilling to offer services to customers in those areas or offer them at prices that reflect the cost to serve.[105]

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100 Submissions to the consultation paper: Plus ES, p. 1; Powershop, p. 1; AGL, pp. 5-6; Vector, p. 7; EnergyAustralia, p. 4.

101 EnergyAustralia, submission to the consultation paper, p. 7.

102 Aurora Energy, submission to the consultation paper, p. 2.

103 Consultation paper submissions: Powershop, p. 1; EnergyAustralia, p. 5; New South Wales Department of Planning and Environment, p. 2; South Australian Department for Energy and Mining, p. 2; Vector, p. 5; Energy Queensland, pp. 5-6.

104 Energy Queensland, submission to the consultation paper, pp. 5-6.

105 EnergyAustralia, submission to the consultation paper, p. 5.

- Rural and remote customers can face challenges having basic supply restored if they are solely reliant on their retailer.[106]

New requirements to facilitate coordination

Several retailers and metering businesses were in favour of introducing new measures to improve co-ordination between the parties involved in installing meters.[107] Comments included that:

- the application of consistent work flow processes and B2B procedures across networks would support customers and industry better understanding the new arrangements and delivering operational efficiencies[108]
- standardisation of the use of existing B2B transactions should be enforced unless all participants involved with the request have agreed to an alternative[109]
- processes such as the New South Wales accredited service provider scheme, where participant interactions are minimised and the B2B messaging is not required for improved coordination, should sit outside of the guaranteed installation timeframe.[110]

Penalties for not meeting the timeframe

Several stakeholders were in favour of imposing penalties, for example civil penalties or a guaranteed service level payment, where retailers do not meet the installation timeframe for a meter installation.[111] Dr Martin Gill emphasised that the rules should offer customers compensation should the retailer fail to install the meter within the specified timeframe.[112]

4.4 Stakeholder views - submissions to the draft rule determination

4.4.1 Timeframes for customer-initiated meter installations

Most stakeholders were supportive of the proposed imposition of timeframe requirements for customer-initiated meter installations in the draft rule.[113] Ausnet Services noted that, in its experience, the timeframe targets are achievable even in remote rural areas.[114]

Some retailers and metering businesses were opposed to mandating a timeframe for customer-initiated meter installations, on the basis that it would exacerbate delivery challenges and ultimately increase costs for customers.[115]

106 New South Wales Department of Planning and Environment, submission to the consultation paper, p. 2.

107 EnergyAustralia, submission to the consultation paper, p. 6.

108 Origin, submission to the consultation paper, p. 2.

109 AGL, submission to the consultation paper, p. 1;

110 ibid.

111 Consultation paper submissions: South Australian Department for Energy and Mining, p. 2; EWOSA, p. 3; Dr Martin Gill, p. 2; EWOQ, p. 3; AER, p. 2.

112 Dr Martin Gill, submission to the consultation paper, p. 2.

113 Draft determination submissions: Brian Connolly, p. 1; South Australian Department for Energy and Mining, p. 1; TasNetworks, p. 1; EWOSA, p. 1; EWON, p. 2; IPART, p. 1; SAPN, p. 1; Powershop, p. 1; ENA, p. 1; John Milburn, p. 1; Ausnet Services, p. 1; Plus ES, p. 1; AGL, p. 1.

114 Ausnet Services, submission to the draft determination, p. 1.

115 Draft determination submissions: Aurora Energy, p. 1; Enova Energy, p. 1; Powermetric, p. 2; ERM Power, p. 2.

Retailers had mixed views regarding whether the draft timeframes were sufficient.[116] Comments included that:

- the timeframe for a new connection should be 15 business days as new connections require complex management of multiple parties[117]
- the timeframes for all installation types should be 20 business days, given that some retailer planned interruption notices will need to be sent by mail[118]
- the rules should include a timeframe for obtaining customer consent[119]
- the timeframes should be up to 30 business days for rural customers, in accordance with Queensland jurisdictional regulations that applied to DNSPs prior to contestability.[120]

4.4.2 Flexibility for customers to agree to an alternative date

Stakeholders were generally supportive of the provisions in the draft rule allowing for the meter to be installed on a date outside of the maximum timeframe, where that date is agreed to by the customer.[121]

Several retailers and metering businesses proposed that retailers should be able to negotiate a date range with a customer for installation of a meter.[122] They submitted that this would increase the efficiency of metering works by allowing retailers to manage the complexities of scheduling work across a diverse and geographically dispersed customer base.

These stakeholders had differing views around how a date range would be incorporated into the rules. For example:

- The Competitive Metering Industry Group (C-MIG) suggested a five business day window agreed with a customer for a meter installation would set an appropriate customer expectation and provide sufficient flexibility to metering parties.[123]
- PLUS ES supported a 10 business date range for metering works.[124]
- Red Lumo considered that a specific date must be agreed where a connection alteration is required.[125]

In addition, several stakeholders requested further clarity in the final determination and rule regarding:

- what constitutes 'agreement' with the customer [126]

116 Draft determination submissions: Aurora Energy, p. 1; Energy Queensland, p. 5; Simply Energy, p. 5; Red Lumo, p. 2.
117 Red Lumo, submission to the draft determination, p. 2.
118 Draft determination submissions: Aurora Energy, p. 1; Simply Energy, p. 6; AGL, p 6.
119 Simply Energy, submission to the draft determination, p. 5.
120 Energy Queensland, submission to the draft determination, p. 5.
121 Draft determination submissions: EWOSA, p. 1; SAPN, p. 1; Master Electricians Australia, p. 1; EWOQ, p. 2.
122 Draft determination submissions: Energy Queensland, p. 5; Vector, pp. 1-2; Aurora Energy, p. 1; AGL, p. 2; Plus ES, pp. 1-2; C-MIG, pp. 1-2; Red Lumo, p. 1.
123 C-MIG, submission to the draft determination, pp. 1-2.
124 Plus ES, submission to the draft determination, p. 1.
125 Red Lumo, submission to the draft determination, pp. 1-2.
126 Aurora Energy, submission to the draft determination, p. 3.

- whether customer consent can be obtained by a metering coordinator or the customer's agent.[127]

4.4.3 Draft requirements to be placed on retailers and DNSPs

Stakeholders were generally supportive of placing an obligation on the DNSP to coordinate a connection alteration for complex meter installations with the retailer.[128] Comments included that:

- the Commission should remove the term "other relevant parties" from the proposed obligation in clause 7.8.10C(a)(2) of the draft rule, as DNSPs should only be required to coordinate with the retailer and customer when completing connection services[129]
- DNSPs should be obligated to provide site information to the retailer or metering business to allow for the early identification of site issues[130]
- the connection timeframes in a DNSP model standing offer to provide standard connection services should be consistent with the timeframes contained in the draft rule[131]
- DNSPs should also be required to co-ordinate with retailers and metering parties to complete a metering installation in the case of multi-occupancy dwellings or shared fuses.[132]

Ausnet Services and SAPN recommended limiting the requirement on DNSPs to coordinate connection services within a timeframe to those installations where only basic connection services[133] are required.[134] They argued that a timeframe is unlikely to be suitable for customers that are subject to a standard or a negotiated connection services; for example, because these customers may require an augmentation to the distribution network, such as replacing a transformer and constructing new power line, before their meter can be installed.

4.4.4 Draft requirement to facilitate coordination

Retailers and metering businesses were supportive of the draft rule requirement that retailers and DNSPs must use AEMO's B2B e-hub to coordinate key stages of the installation of a small customer's meter, unless another method has been agreed between all parties.[135]

Comments from stakeholders included that:

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127 Draft determination submissions: intelliHub Group, p. 2; SAPN, p. 2.

128 Draft determination submissions: EWOSA, p. 1; TasNetworks, p. 1; MEA, p. 1; Vector, p. 2.

129 SAPN, submission to the draft determination, p. 3.

130 Draft determination submissions: Origin, p. 3; Vector, p. 3.

131 Origin, submission to the draft determination, p. 4.

132 AGL, submission to the draft determination, p. 5.

133 Under clause 5A.A.1 of the NER, a basic connection service is a connection service related to a connection between a distribution system and a retail customer's premises where either:

1. the retail customer is typical of a significant class of retail customers who have sought, or are likely to seek, the service; or

2. the retail customer is, or proposes to become, a micro embedded generator; and

the provision of the service involves minimal or no augmentation of the network; and a model standing offer has been approved by the AER.

134 Draft determination submissions: Ausnet Services, pp. 1-2, SAPN, p. 3.

135 Draft determination submissions: AEC, p. 4; Simply Energy, p. 2; Origin, p. 2; Plus ES, pp. 2-3; Vector, p. 3; AGL, p. 5.

- the use of other 'agreed methods' will be important for retailers to embrace to ensure the achievement of the required customer outcomes[136]
- the draft rule should be amended to require DNSPs to provide notice to the retailer of the establishment of the connection service for new connections within a set timeframe, rather than relying on a participant's interpretation of "promptly", as currently specified in the drafting.[137]

Master Electricians Australia expressed concern that allowing parties to operate outside AEMO's B2B hub may lessen competition, by disincentivising new competitors from entering the area due to a lack of communication between retailers and DNSPs.[138]

4.4.5 Exceptions to the meter installation timeframes

PIAC was supportive of the draft rule applying a firm requirement on the retailer to meet the installation timeframe where an alternative date has not been agreed with the customer.[139]

Many stakeholders were supportive of providing exceptions to the timeframe in instances where a meter installation cannot proceed due to reasons outside of their control.[140] Some suggested additional exemptions be included in the final rule, including:

- adding severe weather events or 'force majeure' as another category of exception, noting that such events may affect non-essential work across the network for a period of weeks[141]
- adding the site is 'not ready' for meter installations at new connections[142]
- exempting sites where the standing data from MSATS does not match the meter in the field [143]
- allowing exemptions where metering parties suffer from incidents en route that prevent the installation from proceeding[144]
- exempting all small business customers[145] and small customers in Victoria[146] from the meter installation timeframes.

Several metering businesses and retailers also proposed exempting meter installations where the customer has requested to be contacted before the installation and contact cannot be established.[147] They advised that this type of request may arise where the:

- site has physical access restrictions

136 SAPN, submission to the draft determination, p. 2.
137 Vector, submission to the draft determination, p. 3.
138 Master Electricians Australia, submission to the draft determination, p. 2.
139 PIAC, submission to the draft determination, p. 2.
140 Draft determination submissions: intelliHub Group, p. 1; Master Electricians Australia, p. 1; Powermetric, p. 2; AEC, p. 4; SAPN, p. 3; Tasmanian Department of State Growth, p. 2; AGL, p. 6.
141 Draft determination submissions: Energy Queensland, pp. 7-8; Plus ES, p. 4.
142 Vector, submission to the draft determination, p. 2.
143 Vector, submission to the draft determination, p. 4.
144 intelliHub Group, submission to the draft determination, p. 1.
145 Powermetric, submission to the draft determination, pp. 1-2.
146 Simply Energy, submission to the draft determination, p. 7.
147 Draft determination submissions: intelliHub Group, p. 1; Powermetric, p. 2; AEC, p. 4; ERM Power, p. 2; Vector, pp. 4-5.

- site location is complex, or the existing meter is difficult to locate
- customer is a small business customer that needs the outage to occur outside business hours
- customer is having work performed by a third party that must be completed prior to the installation of the meter.

ERM Power submitted that there are a number of large commercial customers that will be subject to this rule due to the nature of their business structure[148], and these customers may be adversely affected by the imposition of regulated timeframes.[149] In particular, ERM Power contended that commercial customers often need more time to coordinate appointment times or respond to notices than other types of small customers; and that such customers generally value the certainty of an agreed date over the timeliness of metering works.

Other stakeholders expressed concern with the specific exceptions provided for in the draft rule.[150] For example, the South Australian government and the Independent Pricing and Regulatory Tribunal (IPART) were concerned that customers who live at multi-occupancy dwellings may be disadvantaged when requesting a meter installation from their retailer given the lack of a defined timeframe.[151]

IPART also expressed concern that 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. It suggested that in the majority of instances, the rule could be improved by providing extra days for retailers to complete metering installations rather than pausing the timeframe.[152]

4.4.6 Compliance and enforcement

Several stakeholders were in favour of the Commission's draft recommendation to impose civil penalties on the timeframes for customer initiated meter installations.[153] Brian Connolly suggested that stronger enforcement provisions should be imposed for non-compliance; for example, loss of licence to operate as an energy retailer.[154]

Retailers were generally opposed to the imposition of civil penalties, with Enova Energy noting that it was unreasonable for retailers to be fined for a lack of performance by metering parties.[155]

A few stakeholders requested more information from the AER regarding how the rule will be enforced; for example, how exceptions will be assessed or what would constitute a material breach of the rules and attract a civil penalty.[156]

148 For example, the different sites, branches or franchises of the corporate entity may each be classified as 'small customers' if their energy use is below the relevant annual threshold.
149 ERM Power, submission to the draft determination, p. 2.
150 South Australian Department for Energy and Mining, submission to the draft determination, p. 5.
151 Draft determination submissions: South Australian Department for Energy and Mining, p. 5; IPART, pp. 2-3.
152 IPART, submissions to the draft determination, pp. 2-3.
153 Consultation paper submissions: EWOSA, p. 2; EWOQ, p. 2.
154 Brian Connolly, submission to the draft determination, pp. 1-2
155 Draft determination submissions: Enova Energy, p. 1; Energy Queensland, p. 9.
156 Draft determination submissions: IPART, pp. 2-3; Aurora, p. 3; Energy Queensland, p. 9.

4.4.7 Informing customers of timeframes

Several stakeholders expressed their support for the information provision requirements in the draft rule.[157]

EWOSA expressed the view that the final rule should require retailers to inform customers of their right to contact the energy ombudsman in their jurisdiction if they are unhappy with the service that has been provided under exemption situations.[158]

4.4.8 Accredited service provider scheme

Some stakeholders sought further clarity regarding the operation of the draft rule in New South Wales, where the accredited service provider scheme is in existence.[159] For example, Ausgrid requested that the Commission clearly outline which components of the final rule apply to DNSPs if they are not the party completing the connection services.[160]

In NSW, Ausgrid noted that DNSP involvement in the meter installation process is generally limited to:

- allocation of National Meter Identifiers (NMIs) into the market on behalf of the retailer for new connections
- reviewing and approving the connection alteration, upon receipt of a connection alteration request from the relevant ASP, for meter exchanges.

Some retailers proposed that ASPs should be required to notify the relevant DNSP when connection services are complete, with the DNSP then obligated to send a notification to the retailer through the B2B e-hub.[161]

4.5 Commission's position

4.5.1 Creating certainty for electricity customers

The Commission considers that there are significant benefits to imposing a nationally consistent and firm set of meter installation timeframes into the NER for cases where a small customer has requested a meter, including new and replacement situations. These include:

- increasing certainty for customers about when they can expect their meter to be installed
- setting an expectation for retailers, metering parties and DNSPs as to the minimum level of service required by customers, with penalties to promote compliance with the rules
- allowing customers to access the benefits of advanced meters on demand, including new products and services and, in some cases, lower energy bills.

The final rule therefore includes both the flexibility for retailers and customers to agree on a time for a meter installation, as well as requirements on retailers to meet a maximum timeframe for the provision of a meter installation in cases where a small customer has

157 Draft determination submissions: EWOSA, p. 2; Origin, p. 5; EWOQ, p. 2.
158 EWOSA, submission to the draft determination, p. 2.
159 Draft determination submissions: Simply Energy, p. 7; Ausgrid, p. 1.
160 Ausgrid, submission to the draft determination, p. 3.
161 Draft determination submissions: Simply Energy, p. 3; Origin, p. 2.

initiated the request for a new meter and has not agreed to a time for the installation. We consider that these requirements constitute a clearer, more consistent and firm set of expectations for retailers to deliver metering services to customers in the National Electricity Market.

Under the final rule, retailers will be required to provide a meter installation for a new connection or a simple meter exchange by a date agreed with the customer. If no timing can be agreed, then the retailer will be subject to a maximum timeframe of six business days for a new connection or 15 business days for a simple meter exchange.

For meter exchanges that also require a connection alteration, the retailer will be required to provide a metering installation by a date agreed with the customer and the DNSP.[162] This is because, in the majority of cases, the connection services must be completed at the same time as the meter installation. If no timing is agreed, the final rule imposes an installation timeframe of 15 business days on the retailer. It also specifies that, where the DNSP is providing the connection alteration, the DNSP must coordinate the connection alteration in order to allow the retailer to meet its timeframe obligations.[163]

The Commission considers that the new requirements should lessen the metering delays currently experienced by small customers. The timeframes should provide customers with increased confidence that their meter will be installed by a date agreed with the retailer, or where no agreement exists, within a defined and relatively short period.

4.5.2 Final rule to protect small customers

The final rule imposes maximum timeframes on meter installations that are initiated by small customers, where alternative timing for the installation has not been agreed.[164] The definition of 'small customer' used by the energy rules includes most residential customers and small businesses.

Small customers in regional or rural areas

The timeframes on meter installations will apply equally to small customers within urban areas as to those in rural or regional areas. The Commission considered that it is appropriate for small customers from rural or regional areas to be afforded equal protections under the final rule.

It is important to note that the regulatory timeframes under the final rule have been set as maximum timeframes. This means that they should be achievable for small customers in rural and regional areas, and retailers should be striving to deploy meters within shorter timeframes where this is desired by small customers.

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162 In cases where the DNSP is not the party providing the connection service, the retailer will only be required to agree a date or date range with the customer.

163 The draft rule additionally specifies how the retailer and DNSP must communicate with each other.

164 'Small customer' is defined under Part 1(4) of the *Electricity Act 1996* as "a customer with an annual electricity consumption level less than the number of MWh per year specified by regulation for that purpose...". According to current jurisdictional regulations, it means a customer with an annual electricity consumption level less than 100MWh in QLD, ACT and NSW; 150 MWh in ACT; and 160 MWh in SA.

Large customers are excluded from the new requirements

The Commission has excluded large customers from the new requirements because they have more control over the timing and nature of their meter installation. Under the *Competition in metering* rule, large customers are permitted to appoint their own metering coordinator; whereas small customers are not.

This approach was adopted so that the arrangements remain simple and practical from a small customer's perspective. To ensure that small customers are not adversely affected by their inability to appoint a metering coordinator, they are covered by a number of consumer protection provisions under the NER and NERR, as well as by energy ombudsman schemes in each jurisdiction. The new meter installation timeframes will add to these existing consumer protections.

4.5.3 Final requirements to be placed on retailers and DNSPs

Requirements on retailers

The final rule places the obligation to meet an installation timeframe for new connections and simple meter exchanges on the retailer, rather than on the metering coordinator. It is appropriate for the requirement to be placed on retailers, as they are the primary point of contact for small customers regarding the sale and supply of energy.[165]

The Commission considers that the new obligations will require retailers to be accountable to their customers for meeting installation timeframes. It will also provide retailers with an incentive to manage any delays through their commercial relationships with metering service providers.

Requirements on DNSPs

For more complex meter exchanges that also require a connection alteration, the final rule specifies that the DNSP must coordinate the connection alteration with the retailer in order to allow the retailer to meet its timeframe obligations. This requirement is necessary because the retailer does not have any direct control over the timing of the DNSP's connection service work for the site.

During complex meter exchanges, the retailer and the DNSP must closely coordinate in order to provide the meter installation within a short timeframe and ensure the continuity of electricity supply to the consumer.

Where the connection services for a site are provided by a party acting as an agent of the customer, such as an accredited service provider in New South Wales, the DNSP is not subject to an obligation to coordinate as it is not the party providing the connection service.

The final rule does not include an explicit requirement for the retailer and agent of the customer, such as an ASP, to coordinate. This is because the party providing connection services can negotiate with the retailer on behalf of the customer regarding a more suitable installation date, if required.

165 Under the NER, small customers are not able to appoint their own metering coordinators.

4.5.4 Flexibility for customers to agree to an alternative date or date range

For metering installations that require a planned interruption, the final rule allows for a small customer to agree to a specific date or a date range of five business days for the planned interruption to occur.

This is a change from the draft rule, which did not allow customers to agree to a date range for the planned interruption. It is also important to note that the final rule does not prevent the customer and the retailer from agreeing an installation date that is outside of the default maximum timeframe.

In deciding to make this change, the Commission considered that agreeing a date range with small customers is likely to allow retailers and metering providers to deliver meter installations more efficiently across a diverse and geographically dispersed customer base (for example, by 'batching' similarly located installations). The Commission also considered that a proportion of these affected customers may be receptive to agreeing a date range for a meter installation, and that greater efficiencies are likely to result even if only some customers take up the option.

Any agreement with a customer for a specific date or a date range must be explicit and verifiable by the AER for compliance and enforcement purposes. If no date or date range is agreed, then the retailer must install the meter within the prescribed timeframes in the rule.

The new provisions provide flexibility for customers to schedule meter installations at time that suits them, including at a later time if, for example, the customer has a holiday planned or needs to arrange for a device such as a solar panel to be installed first.

For metering works that require a planned interruption, the agreement can be for a specific date if the customer prefers. For example, the customer may require a specific date if they need to grant site access or coordinate for an electrician to be on-site. Alternatively, the agreement can be for a meter installation to be provided within a date range.

The final rule does not prevent retailers from offering customers additional services or a more competitive rate if they are willing to agree to an alternative date or date range for installation. However, the customer is not obligated to agree to alternative timing if they do not wish to do so. If the customer does not agree, the retailer will need to install the meter within the maximum timeframe.

Life support customers

It is important to note that retailers will not be able to offer a date range for meter installations that require a planned interruption to life support customers under the final rule, given the possibility of the customer being left off supply at an unexpected time. However, life support customers will be able to seek to agree a specific date for these meter installations with their retailer.

Customer consent

In their feedback to the draft rule determination, a few stakeholders requested further clarity regarding whether consent could be obtained from an agent of the small customer, or by a metering party acting on behalf of the relevant retailer.[166]

The Commission's preference is to allow retailers the flexibility to apply their established policies and procedures regarding customer consent. As a result, the final rule is not prescriptive as to who consent must be obtained from, or by.

A caveat to this is that any agreement with a customer for a specific date or a date range must be explicit consent. That is, where a small customer's consent is required by the final rule, it must be 'positive' and not implied consent. It is not sufficient, for example, for the retailer to consider and take silence or inaction from the customer to be an indication of their consent to a proposed time.

In addition, the consent must be verifiable by the AER for compliance and enforcement purposes. This is an important enforcement measure, to ensure that the AER has the relevant information to determine if the rules have been complied with in a particular instance.

4.5.5 Arrangements for Victoria

In 2006, the Victorian Government mandated a roll-out of advanced meters (the AMI program). Through this mandate, almost all small customers in Victoria received an advanced meter, in accordance with a prescribed minimum specification, from their DNSP.

To enable this scheme, the Victorian government made significant derogations from the metering provisions in the NER. The result of this is that key changes that were made under *Competition in metering* rule do not apply in Victoria until 2021.[167] For example, metering services continue to be provided by DNSPs as a regulated monopoly service.[168]

The Commission notes that the final rule, which applies metering installation timeframes to the retailer, will need to be amended through jurisdictional derogation in Victoria. This is because the DNSP remains the key party responsible for metering related works, including meter installations, in that State.

4.6 Rule requirements

The final rule includes a maximum timeframe for the provision of a meter installation in cases where the meter is requested by a customer and no alternative timing has been agreed.

The requirements differ slightly depending on whether the meter installation is for a new connection, a simple meter exchange or a complex meter exchange. This is because the

166 Draft determination submissions: intelliHub Group, p. 2; SAPN, p. 2.

167 Victorian Government Gazette, *National Electricity (Victoria) Act 2005 - 2017 Ministerial Order under Section 16BA,* 12 October 2017.

168 In addition, the NERR does not apply in Victoria.

installation steps are different for each scenario, including the number of parties involved in the installation process.

4.6.1 Timeframes for new connections

A new connection refers to a situation where electricity supply is being connected to premises or a site where none existed before. In practice, new connections are most often new builds that have just been completed. They may be at a single occupancy dwelling, such as a standalone house, or a multiple occupancy dwelling, such as an apartment building.

Under the final rule, retailers will be required to provide a metering installation for a new connection by a date agreed with the customer. If no date is agreed, then the retailer must install the meter within six business days of being informed that any requisite connection services are complete.

The Commission considers that an installation timeframe of six business days is appropriate, given that:

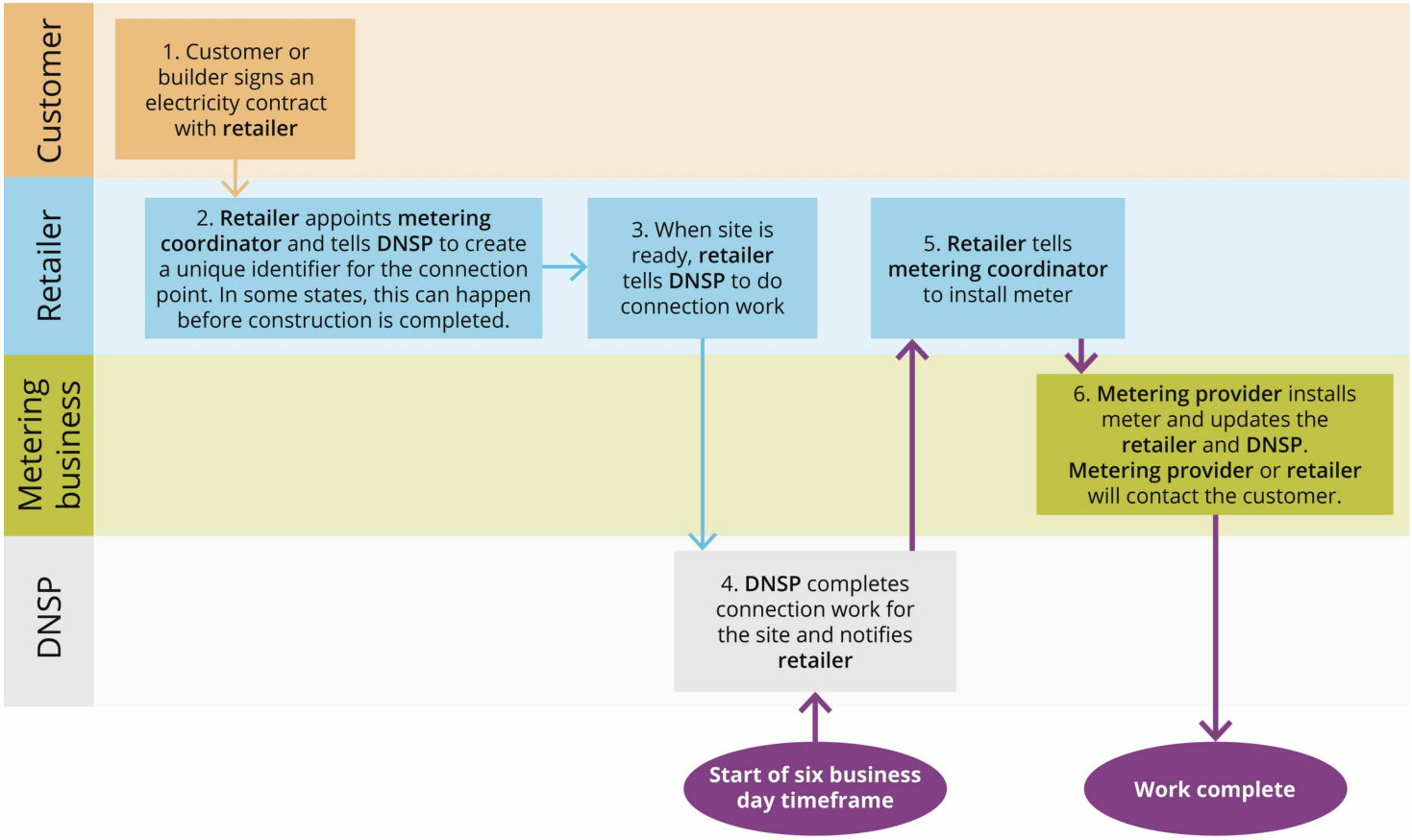
- when a meter installation is delayed at a new connection, the customer is unable to access electricity and will likely be unable to occupy the premises for the period of the delay
- the installation process for a new connection is likely to be more straightforward than for a meter exchange once supply has been established to the site.

The timeframe of six business days will start once the retailer has been notified that any connection services are complete. In most cases, this notification will be from the DNSP and the retailer will be notified via AEMO's B2B e-hub or another agreed method.

In New South Wales, an appropriately qualified accredited service provider may complete connection services on behalf of the customer. The same provider may also be contracted by the metering provider to complete metering work for the site. In these cases, the accredited service provider should be able to complete the connection services and meter installation at the same time.

If the accredited service provider that is employed by the customer for connection services is not able to complete metering work, then they will need to inform the retailer when connection services are complete. Once the retailer has been informed, the timeframe for the meter installation will commence. The final rule does not include a requirement for this notification to occur through the B2B e-hub.

Figure 4.1: Indicative installation process for a new connection



Note: This process map may not be accurate for all jurisdictions. For example, it depicts situations where the DNSP is completing connection work for the customer. These timeframes do not apply when a small customer and retailer have agreed to alternative timing for the installation.

4.6.2 Timeframes for a meter exchange without connection services

A simple meter exchange refers to a situation where an existing electricity meter is being replaced with a new meter and no connection alteration is required. In practice, this often occurs when a customer has requested a new electricity product or service that requires their existing accumulation or manually read interval meter to be replaced with an advanced meter. For example, the installation of a small solar panel may require a simple meter exchange.

Under the final rule, retailers will be required to provide a metering installation for a simple meter exchange by a date agreed with the customer. If no date or date range is agreed, then the retailer must install the meter within 15 business days of having received a request from an existing small customer to exchange the meter.

The Commission considers that a timeframe of 15 business days is appropriate, given that more coordination between parties is required than compared to new connections. For example:

- the retailer must provide notification to affected customers of a temporary interruption to their electricity supply while the meter is being installed[169]
- when the existing meter is being upgraded from an accumulation or manually read interval meter to an advanced meter, the retailer will need to appoint new metering parties for the site.[170]

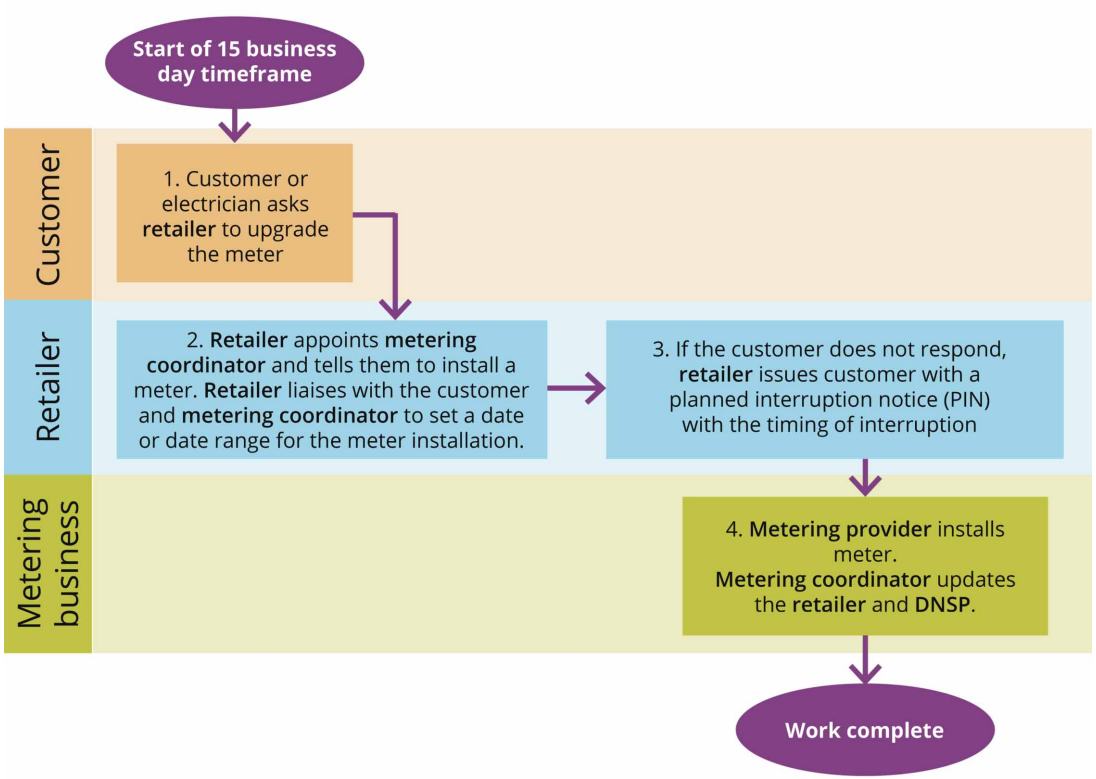
To assist retailers in meeting a maximum timeframe of 15 business days, the Commission has proposed changes to the rules to provide more flexibility for retailers to notify customers of a planned interruption (see Chapter 6). In addition, we have recommended that AEMO streamline its appointment process for metering parties in certain circumstances, in order to make meter installations more efficient (see Chapter 5).

The timeframe of 15 business days will start once the retailer has received a formal request from an existing customer to exchange the meter. A precondition is that the customer will need to provide consent for any terms and conditions that might accompany the meter installation before the timeframe starts, including any fees for the service (see the list of exceptions in section 1.6.5).

169 Under subrule 59C of the NERR.

170 As a transitional arrangement under the *Competition in metering* rule, the local network service provider is the metering coordinator (and metering provider) for existing manually read metering installations, until the meter is replaced. Once the meter is replaced, the retailer must appoint a new metering coordinator and metering provider.

Figure 4.2: Indicative installation process for a meter exchange without a connection service



Note: This process map may not be accurate for all circumstances or jurisdictions. For example, it depicts a situation where existing meter is an accumulation or manually read interval meter that is being replaced with an advanced meter.
These timeframes do not apply when a small customer and retailer have agreed to alternative timing for the installation.

4.6.3 Timeframes for a meter exchange with a connection alteration

A complex meter exchange refers to a situation where an existing electricity meter is being replaced with a new meter, and a connection alteration is also required. In practice, this often occurs when a customer requires an advanced meter as well as an upgrade to the capacity of their electricity supply to enable a new product or service. For example, a customer may have bought an electric vehicle or a large air conditioner that requires three-phase electricity supply.

Under the final rule, retailers will be required to provide a metering installation for a complex meter exchange by a date agreed with the customer and the DNSP.[171] It is necessary for all three parties to agree on timing as, in the majority of cases, the connection services must be completed at the same time as the meter installation.

If no date or date range is agreed, then the retailer must install the meter within 15 business days of having received a request from an existing small customer to exchange the meter. The final rule specifies that the DNSP must coordinate the connection alteration with the retailer in order to allow the retailer to meet its timeframe obligations.[172]

The timeframe of 15 business days will start once the retailer has received a request from an existing small customer to exchange the meter.[173] Under the final rule, the retailer will be required to inform the DNSP of the need for a connection upgrade within one business day of receiving the customer's request to exchange the meter.

The Commission considers that a timeframe of 15 business days is appropriate, noting that the installation steps are similar to other meter exchanges (including nominating the metering parties, where applicable, and sending a planned interruption notice to the customer). The difference is that the retailer and the DNSP will need to coordinate more closely in the case of a complex meter exchange in order to install a meter within this timeframe.

As noted earlier, where the connection services for a site are provided by a party acting as an agent of the customer, such as an accredited service provider in New South Wales, there will not be an explicit requirement for the retailer and agent to coordinate. This is because the party providing connection services can negotiate with the retailer on behalf of the customer regarding a more suitable installation date, if required.

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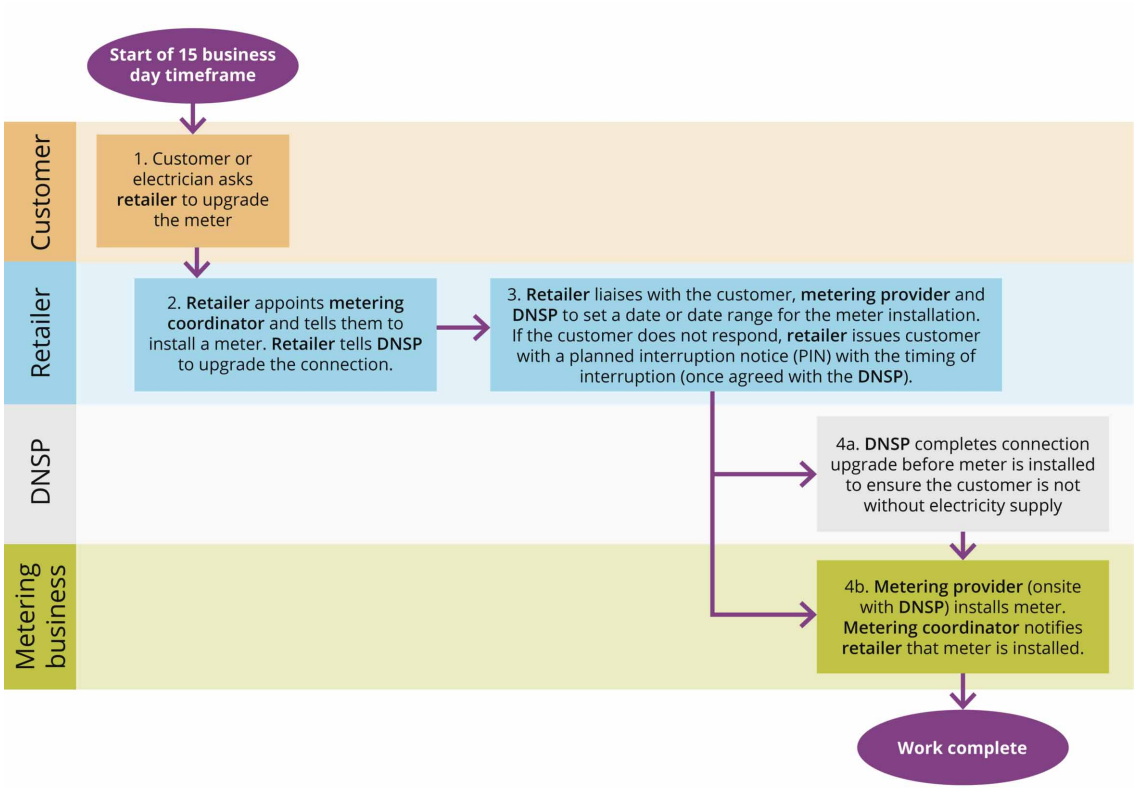
171 In cases where the DNSP is not the party providing the connection service, the retailer will only be required to agree a date or date range with the customer.

172 Where the connection services for a site are provided by a party acting as an agent of the customer, such as an accredited service provider in New South Wales, the DNSP is not subject to an obligation to coordinate as it is not the party providing the connection service.

173 As with other meter exchanges, a precondition to this is that the customer will need to provide consent for any terms and conditions that might accompany the metering installation, including any charges, before the timeframe starts.

Figure 4.3: Indicative installation process for a meter exchange with a connection service



Note: This process map may not be accurate for all circumstances or jurisdictions. For example, it depicts a situation where existing meter is an accumulation or manually read interval meter that is being replaced with an advanced meter.
These timeframes do not apply when a small customer, retailer and DNSP have agreed to an alternative date for the installation.

4.6.4 Requirement to facilitate coordination

The Commission considers that effective coordination between industry parties is key to ensuring that a small customer's meter installation is quick and efficient.

The final rule specifies that retailers and DNSPs must use AEMO's B2B e-hub to coordinate key stages of the installation of a small customer's meter[174] unless another method has been agreed between all parties. This should facilitate coordination by ensuring that consistent methods are used across networks and retailers to communicate with each other.

The final rule does not include a requirement for accredited service providers or other electricians to communicate through the B2B e-hub. The Commission did not consider that this requirement was necessary, as these parties should act as an agent of the customer on behalf of their interests.

4.6.5 Exceptions to the meter installation timeframes

The final rule applies a firm requirement on the retailer to meet the installation timeframe where an alternative date has not been agreed with the customer. The Commission considers that the final rule should improve consumers' confidence in the meter installation process and agrees with the AER that a firm requirement would support the enforcement of the new obligations.

The Commission notes that there will be some circumstances where it is more difficult for retailers and metering parties to install a meter than others.

For example, the meter may be at a multi-occupancy site, where an interruption to the power supply would affect a number of other retail customers.[175] In this case, the retailer and metering parties would not be able to proceed with the meter installation until they had organised for the retail customers to be notified of an outage through the appropriate channel.[176]

Defined and limited list of exceptions

To account for these difficult situations, the final rule specifies that the date agreed with the small customer or the applicable timeframe will not apply where:

- the customer has not yet entered into an agreement with the retailer for the meter to be installed
- the proposed site is not accessible, safe or ready for the meter to be installed
- installing the meter requires interrupting supply to other retailers' customers

174 Coordination in this context includes notifying each other of work completed, agreeing on a date for works and lodging relevant service orders.

175 The Commission, the AER and AEMO will host a separate workshop in December 2018 with retailers, DNSPs, other industry groups and jurisdictional governments with an aim to develop standard solutions for cases where metering related works necessitate an interruption to the supply of third party customers.

176 For example, this may involve organising a distributor planned interruption or contacting the (various) retailers of the other customers to organise a retailer planned interruption.

- the connection service has not yet been completed in the case of a meter installation at a new connection
- the small customer has not met the conditions that it is required to comply with under its connection contract in the case of a complex meter exchange
- augmentation to the network is required and has yet to be completed in the case of a complex meter exchange (see discussion below)
- the customer has entered into an aggregated electricity consumption agreement with their retailer under subrule 5(2)(a) of the NERR for the relevant premises (see discussion below).

In these circumstances, the retailer should provide assistance to the small customer to resolve the issue, for example, by explaining why the installation cannot proceed and what the customer may need to do.

Once the issue causing the exception has been resolved, the time for the installation will be (as applicable) on a new date as agreed with the customer or the timeframe will restart from the beginning.

New exception for complex connection services

As noted above, the final rule allows for retailers and DNSPs to gain an exception to the meter installation timeframe in circumstances where a complex meter exchange requires augmentation to the network and this work has not yet been completed.

This new exception was included to take account of stakeholder comments that a timeframe is unlikely to be suitable where significant infrastructure works are required before a meter can be installed, such as replacing a transformer and hanging new power line.[177]

Under the final rule, once the augmentation or extension of the network is complete, the time for the meter installation will be (as applicable) on a new date as agreed with the customer, retailer and DNSP[178] or the timeframe will restart from the beginning.

New exception allowing businesses with multiple small sites to opt out of the timeframes

Some large businesses and corporations have a number of premises that are currently classified under the energy rules as 'small customers' due to the nature of their business structure. Under the NERR, these businesses are able to agree with their retailer to be re-classified as 'large customers' so that certain provisions do not apply to them. In order to do this, these customers must provide explicit informed consent and meet certain conditions, including a requirement that a certain level of energy consumption is reached when the small sites are aggregated.[179]

Under the final rule, these same business customers can also elect to be treated as 'large customers' for the purposes of the meter installation timeframes provided that they provide

177 Draft determination submissions: Ausnet Services, pp. 1-2, SAPN, p. 3.

178 In cases where the DNSP is providing the connection service.

179 Pursuant to rule 5 of the NERR.

explicit informed consent to their retailer. This would mean that their retailer would not be subject to the applicable maximum timeframes for customer initiated metering works.

Unable to establish customer contact will not form an exception

In their response to the draft rule determination, several metering businesses and retailers proposed exempting meter installations where the customer has requested to be contacted before the installation and contact cannot be established.[180]

The Commission has not included this proposal in the list of exemptions specified in the final rule. Rather than constituting a unique circumstance that is outside of the control of retailers or metering parties, the Commission is of the view that these situations constitute the regular coordination challenges of providing a metering installation to small customers.

To account for these situations, retailers should ensure that their procedures allow them to proactively coordinate with small customers for a specific installation date and time in cases where the customer needs to be present or have another party present.

Where additional information (such as detailed site instructions) are needed, retailers should be proactive in securing this information before the date of installation.

The Commission considers that it is important for retailers to develop customer-focused procedures in order for meter installations to be delivered efficiently within the timeframe specified to the small customer.

Other exemption categories proposed by stakeholders

As noted in section 4.4.5, several stakeholders suggested additional exemptions to be included in the final rule. A table has been included below with a summary of these proposals and the Commission's response to each.

Table 4.1: **Additional exceptions proposed by stakeholders**

PROPOSAL	COMMISSION'S POSITION
Vector proposed to exempt situations where the standing data from MSATS does not match the meter in the field.	The Commission did not adopt this proposal on the basis that, in many cases, this situation may fall under the existing exemption category of safety. We consider that it may be unsafe to proceed with the meter installation if the current metering arrangement cannot be verified.
Energy Queensland and Plus ES proposed adding severe weather events or 'force majeure' as another category of exception, noting that such events may affect non-essential work across the network for a period of	The Commission did not adopt these proposals on the basis that, where extreme weather impacts the location of a meter installation, then it would be unsafe to proceed with the installation.

180 Draft determination submissions: intelliHub Group, p. 1; Powermetric, p. 2; AEC, p. 4; ERM Power, p. 2; Vector, pp. 4-5.

PROPOSAL	COMMISSION'S POSITION
weeks.	In the cases of extreme major natural disasters that require DNSPs to prioritise work for a period, retailers may choose to liaise with the AER to gain a 'no action' letter regarding enforcement.
intelliHub Group requested exemptions where metering parties suffer from incidents en route that prevent the installation from proceeding.	The Commission considers that it would not be appropriate to add this to the list of exemptions. Metering parties and retailers need to account for such situations when developing their risk mitigation polices and procedures.
Other stakeholders proposed exempting all small business customers and small customers in Victoria from the meter installation timeframes.	The Commission did not view that there was sufficient rationale for excluding these customers from the final rule. As noted above, the final rule may need to be amended through jurisdictional derogation in Victoria. However, this is a decision for the Victorian Government to exercise.

4.6.6 Compliance and enforcement

Recommendation to add civil penalty provisions

As discussed in Chapter 3, delays in the installation of meters can cause significant harm to small customers. The Commission considers that civil penalties may act as a deterrent to non-compliance and therefore reduce delays in the installation of meters.

It is important to note that the Commission cannot create new civil penalty provisions. However, the Commission can recommend to the COAG Energy Council (jointly with the AER) that new or existing provisions of the NER or NERR be classified as civil penalty provisions. The Commission's recommendation will be made on this basis.

Enforcement of the rule

A few stakeholders requested more information from the AER regarding how the rule will be enforced; for example, how exceptions will be assessed or what would constitute a material breach of the rules and attract a civil penalty.[181]

The Commission expects that the AER will provide guidance to retailers regarding its approach to enforcement. This may take the form of a formal guideline or may be through a more informal method.

181 Draft determination submissions: IPART, pp. 2-3; Aurora, p. 3; Energy Queensland, p. 9.

4.6.7 Informing customers of the timeframes for meter installations

The final rule requires retailers to inform small customers of the new requirements on retailers and DNSPs. This new provision to be included in the NERR is designed as a complementary measure to the meter installation timeframes, noting it is important for small customers to be made aware of any protections they may have under the rules.

Under the final rule, retailers must include the maximum regulatory timeframes to provide a customer-initiated meter installation on their website. Retailers will also be required to provide this information in writing to a small customer when the customer requests a meter installation or exchange.

The final rule enshrines multiple avenues for information provision to reflect the fact that small customers will seek information through different methods and at different stages of their decision making. For example, a small customer may seek initial information from the retailer's website when they are contemplating a request for a meter installation. Alternatively, they may rely on their retailer informing them of their rights when they lodge a formal request for a meter installation.

The Commission decided against adopting EWOSA's proposal to require retailers to inform customers of their right to contact the energy ombudsman in their jurisdiction if they are unhappy with the service that has been provided under exemption situations.[182] The Commission considers that small customers should go through the retailer's standard dispute resolution procedures under subrule 29 of the NERR before being prompted to go to the relevant energy ombudsman.

182 EWOSA, submission to the draft determination, p. 2.

5 TIMEFRAMES FOR RECTIFYING A MALFUNCTIONING METER

This chapter outlines the final rule requirement on metering coordinators to replace or repair a small customer's malfunctioning meter as soon as practicable, but no later than 15 business days after the metering coordinator has been notified of the meter installation malfunction.

The final rule retains the current provisions that allow the metering coordinator to obtain an exemption from the timeframe requirement.

> BOX 4: CHANGES BETWEEN THE DRAFT AND FINAL RULE
>
> The final rule retains the content and form of the draft rule with regard to timeframes to rectify a malfunctioning meter. However, a minor change was made to clause 11.86 of the NER to reflect the obligations on DNSPs where they are the current metering coordinator for a customer with a malfunctioning accumulation or manually read interval meter.

5.1 Current arrangements

The *Competition in Metering* rule imposed requirements on the metering coordinator to arrange for the repair or replacement of a malfunctioning meter:

- no later than ten business days for most meter installations, including those used by small customers
- no later than two business days for certain types of meters used by large customers.[183]

These timeframes begin when the metering coordinator is notified of the meter installation malfunction. Where the DNSP is the current metering coordinator for a malfunctioning MRIM or accumulation meter[184], the timeframe starts when a contestable metering coordinator has been appointed.

The NER makes some allowance for cases where the timeframe cannot be met. Under the rules, if the metering coordinator is aware that the malfunction cannot be rectified within the applicable timeframe, it may apply to AEMO for an exemption.[185] Once an exemption is granted, the metering provider must provide AEMO with a plan for the rectification of the malfunction. These arrangements are designed so that the metering malfunction is rectified as soon as practicable.

AEMO has advised that, when the meter installation is designed for use by a small customer, exemptions are typically granted if:[186]

183 That is, type 1, 2 and 3 meter installations. These are meter installations that allow electricity flows above 0.75 GWh per annum.

184 That is, a type 5 or 6 meter.

185 Under the NER, there are also requirements on registered participants, metering providers and metering data providers to notify the metering coordinator within 1 business day if they become aware of a metering installation malfunction that cannot be rectified within the applicable timeframe.

186 AEMO, submission to the consultation paper, p. 3.

- the requirements on retailers to provide a planned interruption notice do not provide sufficient time for the metering provider to rectify the malfunction
- the customer requires the metering provider to perform the rectification at a date outside of the timeframe
- there are safety, logistical or other practical reasons which prevent the malfunctioning meter from being replaced within the timeframe
- the metering coordinator has identified large volumes of malfunctioning meters that cannot be rectified in the standard timeframe due to the scale and planning required (e.g. a group of meters have failed sample testing processes and need to be replaced).

5.2 AEC's view

In its rule change request, the AEC raised the concern that some of the obligations that were transferred from DNSPs to retailers and metering coordinators in the *Competition in Metering* rule are taking longer to complete now that more participants are involved in the installation process.[187] It suggested that replacing a small customer's meter typically takes between 11 and 18 business days after the metering coordinator has been notified of the malfunction.

The AEC attributed the longer timeframe under metering contestability, in part, to:

- the requirement that a retailer must provide at least four business days' notification to affected customers of the interruption. Electronic communication can provide this notice immediately, but by post may take an additional two to six business days.[188]
- the need for the metering parties to change when the faulty meter is an accumulation or manually read interval meter that needs to be replaced. Under current AEMO procedures, metering roles (including the metering coordinator and metering provider) are appointed sequentially, with mandatory objection periods of one day applying whenever a change request is initiated.[189]

To address this issue, the AEC proposed that the existing 10 business day timeframe for most meter types, including those used by small customers, be extended to 20 business days.[190] It did not propose to alter the two business day timeframe that exists for certain types of meters used by large customers.

The AEC considered that extending the timeframe for most types of meter installations would not affect the service being provided to customers. Rather, it would reflect the practical steps and required timeframes for replacing a small customer's faulty meter and provide retailers and metering coordinators with a reasonable opportunity to comply with the rules.

187 AEC, Rule change request, *Metering installation timeframes*, p. 5.
188 Under rule 59C of the NER.
189 AEC, Rule change request, *Metering installation timeframes*, p. 6 .
190 The rule change request included proposed changes to rule 7.8.10 of the NER.

5.3 Stakeholder views - submissions to the consultation paper

Retailers and metering businesses were supportive of the AEC's proposal to extend the timeframe for rectifying a malfunctioning meter from 10 to 20 business days.[191] They were of the view that replacing a faulty meter within 10 business days is not feasible due to current steps required, including those required by AEMO procedures as well as the need to notify customers of a planned interruption.

The South Australian Department for Energy and Mining, AEMO and the AER were supportive of the AEC's proposal on the condition that:

- The timeframe should only be extended for meter installations used by small customers. AEMO recommended that the 10 business day requirement be maintained for advanced meters used by larger customers, noting that the current arrangements work well.[192]
- A longer timeframe should only be allowed in cases where the customer's supply has not been affected.[193] The AER was of the view that rules should be amended to include the bridging of meters by DNSPs in cases of supply outage.[194]
- The timeframe should be 15 business days. This would allow sufficient time for retailers to effect repairs or replace a malfunctioning meter, without significantly impacting on market settlement processes.[195]

Energy ombudsmen were not in favour of lengthening the timeframe to repair or replace most types of malfunctioning meters.[196] EWOSA also advocated that, where a faulty meter has resulted in the loss of power, the rules should specify that replacement of the meter must occur on the day the retailer or DNSP is notified.[197]

5.4 Stakeholder views - submissions to the draft rule determination

Some retailers maintained the view that the applicable timeframe to replace or repair a small customer's malfunctioning meter should be 20 business days, on the basis that this would result in fewer exemptions being requested.[198] AGL requested removing the timeframe altogether, on the basis that small customers are not generally impacted when their meter is malfunctioning (apart from receiving estimated bills).[199]

191 Consultation paper submissions: EnergyAustralia, p. 4; Vector, p. 6; South Australian Department for Energy and Mining, p. 3; AGL, p. 1; Powershop, p. 2; Origin, p. 2; Energy Queensland, pp. 7-8; Plus ES, p. 4.

192 AEMO, submission to the consultation paper, pp. 2-4.

193 South Australian Department for Energy and Mining, submission to the consultation paper, p. 3.

194 AER, submission to the consultation paper, p. 3.

195 AER, submission to the consultation paper, p. 3

196 Consultation paper submissions: EWOQ, p. 2; EWON, p. 4.

197 EWOSA, submission to the consultation paper, p. 4.

198 Draft determination submissions: Energy Queensland, p. 9; Red Lumo, p. 2.

199 AGL, submission to the draft determination, p. 7.

5.4.1 Family failures

Some retailers and metering parties requested that family failures be exempted from the definition of a malfunctioning meter and dealt with under a separate process in the NER.[200] Comments included:

- the timeframe to rectify a malfunctioning meter will be near impossible to meet where there are large volumes of meters that have failed sample testing and need to be replaced[201]
- these meters generally have low impact on consumers because they are still functioning and do not cause electricity outages.

ERM Power was of the view that the timeframe to rectify family failures should be extended to 25 business days.[202]

5.4.2 Measures to improve the installation process

Several stakeholders expressed their support for the draft recommendation to AEMO that it streamline the appointment process in MSATS for metering parties in certain circumstances.[203]

SAPN supported the proposed changes, but recommended that AEMO should follow its full procedural change process in order to allow industry enough time to assess the potential impacts of required processes and system changes.[204]

A few stakeholders were concerned that removing the ability for participants to object to a role appointment could create unintended consequences.[205] Comments included:

- the change may prevent an incoming metering coordinator from adequate recourse if it was incorrectly appointed to the role for a particular site (i.e. the metering coordinators would no longer have the ability to object to their own appointment)[206]
- the current rules require that requested work cannot be physically performed until all participants are in their correct roles; however, this does not stop a request from being raised and a job being scheduled[207]
- it may require metering parties to change their internal systems, which could be time consuming and expensive.[208]

200 Draft determination submissions: intelliHub, p. 2; AEC, p. 1; Simply Energy, p. 6; AGL, p. 7.
201 intelliHub, submission to the draft determination, p. 2.
202 ERM Power, submission to the draft determination, p. 4.
203 Draft determination submissions: TasNetworks, p. 1; EWOSA, p. 2; IPART, p. 3; Energy Queensland, p. 10; Plus ES, p. 3; AGL, p. 5.
204 SAPN, submission to the draft determination, p. 2.
205 Draft determination submissions: intelliHub, p. 2; Origin Energy, p. 4; Vector, p. 5.
206 intelliHub, submission to the draft determination, p. 2.
207 Vector, submission to the draft determination, p. 5.
208 intelliHub, submission to the draft determination, p. 2.

5.4.3 Final rule to retain the current exemption framework

ERM Power requested that specific exceptions to the timeframes be enshrined in the NER for situations where the retailer has been unable to establish contact with the customer, or appointment scheduling has been difficult for the customer.[209] It noted that, as a business only retailer, every installation that results in a power interruption requires adherence to an appointment time so as to not interrupt their customers' business operations.

5.5 Analysis

The Commission considers that it is necessary to maintain timeframe obligations in the NER on replacing or repairing malfunctioning meters so that there is not undue impact on market settlement. If a meter is not recording electricity flows to the relevant customer then there will be a mismatch between usage across the NEM and metered usage, which will affect the accuracy of settlement data and can undermine market integrity.

Under the final rule, metering coordinators must replace or repair a small customer's malfunctioning meter as soon as practicable, but no later than 15 business days after they have been notified of the meter installation malfunction.[210]

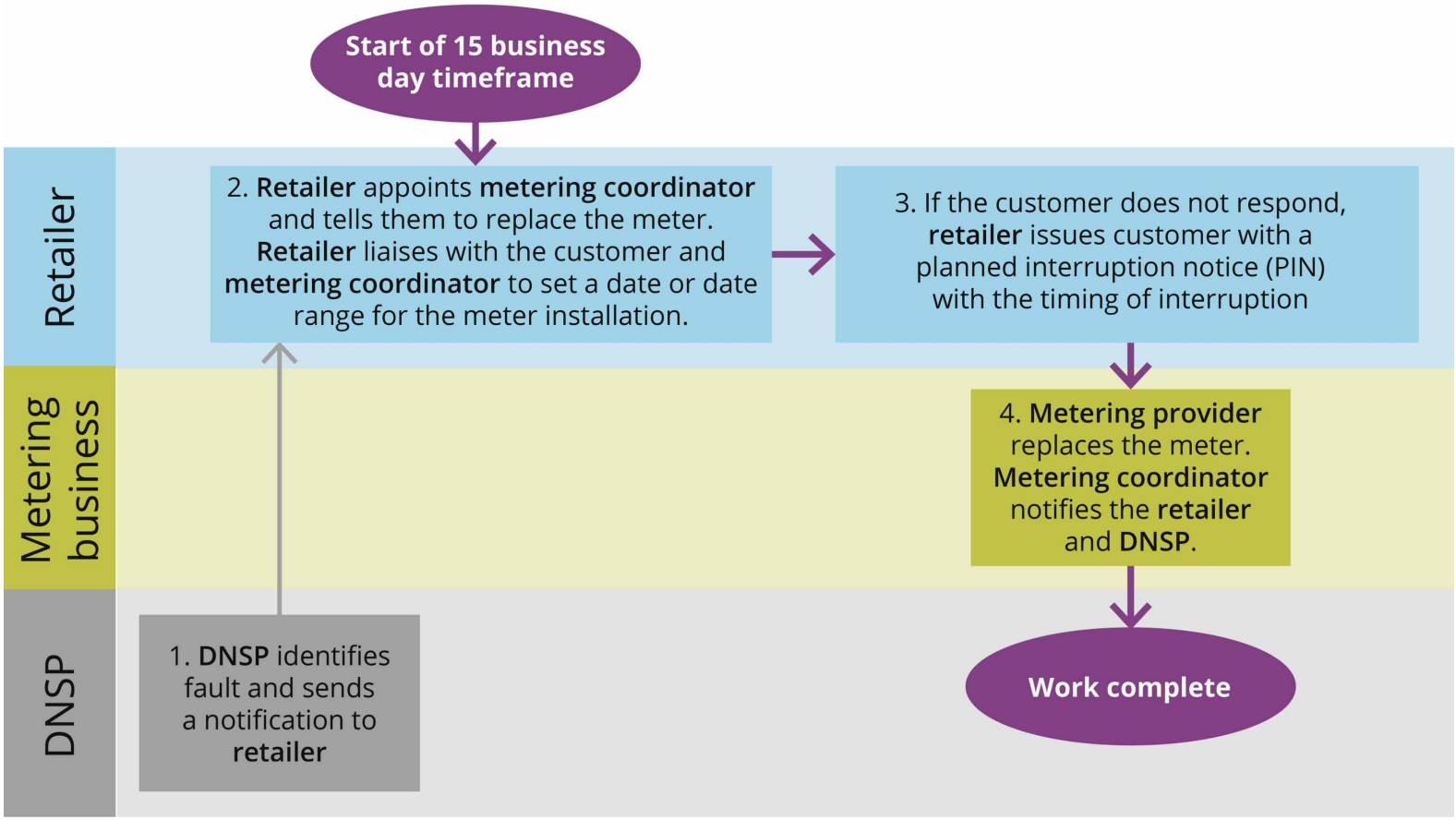
The final rule harmonises the existing timeframes in the NER for metering coordinators to repair or replace a small customer's faulty meter with those for customer initiated meter exchanges. This reflects that the installation process is similar in both scenarios and requires coordination between several parties.

The Commission understands that, since the introduction of metering contestability, AEMO has granted a number of exemptions to metering coordinators seeking to extend the timeframe in which to replace a malfunctioning meter. The new obligations also recognise that meter installations can take longer than 10 business days, given the need for coordination between multiple parties.

209 ERM Power, submission to the draft determination, p. 3.

210 Where the DNSP is the current metering coordinator for a small customers' malfunctioning MRIM or accumulation meter, the timeframe starts when a contestable metering coordinator has been appointed. Clause 11.86.7(i) of the NER as amended.

Figure 5.1: Indicative installation process to replace a small customer's malfunctioning meter



Note: This process map may not be accurate for all jurisdictions or situations. For example, it depicts situations where an accumulation or manually read interval meter malfunctions and needs to be replaced with an advanced meter.

Customers being left off supply

The Commission is not aware of any cases of complaints that malfunctioning meters are leading to customers being left off supply. In rare cases where a customer has experienced a loss of electricity as a result of a faulty meter, the local DNSP should undertake its usual practices maintaining supply until it is repaired or replaced.

Final rule to include family failures

As discussed in section 5.4.1, some retailers and metering parties requested that family failures be exempted from the definition of a malfunctioning meter and dealt with under a separate process in the NER.[211]

The final rule does not include a separate process for family failures. The Commission is of the view that it is important for AEMO to approve the rectification plan for malfunctioning meters that are not subject to a timeframe, including family failures.

5.5.1 Measures to improve the installation process

The Commission does not consider that it is necessary to extend the timeframe to 20 business days, as proposed by the AEC. The final rule includes a range of measures to streamline the installation process, which should make it easier for retailers to install meters quicker and more efficiently. These measures include changing the notification requirements regarding retailer planned interruptions to make them more flexible (see Chapter 6).

In its submission to the consultation paper, AEMO advised that it could streamline the appointment process for metering parties in certain circumstances. In particular, it considered that the objection period for metering role changes should be reduced to zero days in cases where an existing accumulation or manually read interval meter needs to be replaced with an advanced meter.

This procedural change would apply where the existing meter is faulty, as well as for other meter exchanges initiated by small customers. AEMO noted that the DNSP is unable to continue in the metering coordinator role in the above circumstances and therefore is unlikely to object to the appointment.[212]

The Commission agrees with this recommendation, on the basis that it should assist in reducing the time it takes to install a meter. We also note stakeholder views to the draft rule determination on this matter, and ask that AEMO take them into account if it decides to initiate a procedural change to streamline the appointment process.

211 Draft determination submissions: intelliHub, p. 2; AEC, p. 1; Simply Energy, p. 6; AGL, p. 7.

212 AEMO, submission to the consultation paper, pp. 3-4.

RECOMMENDATION 1: STREAMLINING THE APPOINTMENT PROCESS FOR METERING ROLES

The Commission recommends to AEMO that it streamlines the appointment process in its Market Settlement and Transfer Solutions (MSATS) system for metering parties in certain circumstances.

We consider that the objection period for metering role changes should be reduced to zero days in cases where an existing accumulation or MRIM meter needs to be replaced with an advanced meter.

5.5.2 15 business days' timeframe only applies to metering installations for small customers

The final rule only extends the timeframe to repair or replace a malfunctioning meter that is used by a small customer. As noted above, AEMO recommended that the 10 business day requirement be maintained for advanced meters used by larger customers, noting that the current arrangements work well. The Commission agrees with this position.

The final rule specifies that the metering coordinator must arrange for the repair or replacement of a small customer's malfunctioning meter within 15 business days of having been notified of the malfunction. Where the DNSP is the current metering coordinator for a small customer's malfunctioning MRIM or accumulation meter[213], the timeframe starts when a contestable metering coordinator has been appointed.

For completeness, the final rule does not change the existing timeframe to repair or replace a malfunctioning meter for other customers.[214] In those circumstances, the timeframe will remain as follows:

- no later than two business days for certain types of meters used by large customers[215]
- no later than ten business days for all other meter installations, including some advanced meters used by large customers.

5.5.3 Final rule to retain the current exemption framework

The final rule retains the metering coordinator's ability to seek exemption from AEMO where the timeframe cannot be met. Under the final rule, if the metering coordinator is aware that the malfunction cannot be rectified within the applicable timeframe, it may apply to AEMO for an exemption. Once an exemption is granted, the metering provider must provide AEMO with a plan for the rectification of the malfunction.

The Commission considers that this framework is fit-for-purpose and should continue into the future. It is appropriate for AEMO to govern exemptions to the timeframe for replacing or

213 That is, a type 5 or 6 meter.

214 That is, small customers that do not have a type 4S, 4A, 5 or 6 meter.

215 That is, type 1, 2 and 3 metering installations. These are metering installations that allow electricity flows above 0.75 GWh per annum.

repairing a malfunctioning meter, given the consequential impact that a faulty meter can have on market settlement.

6 PLANNED INTERRUPTION NOTICES

This chapter outlines:

- amendments to the notification requirements on retailers and DNSPs regarding planned interruption notices (PINs) under the NERR, which will allow customers the flexibility to agree a date or date range for works that require an interruption to the customer's electricity supply
- the reasons for retaining the current consumer protections with regard to:
  - the obligations on retailers to provide a PIN to a large customer where their electricity supply is affected by a retailer planned interruption
  - the requirement for retailers to provide a 24-hour telephone number for enquiries about retailer planned interruptions.

Under the final rule, a retailer or DNSP may engage with the customer in the first instance to agree either a date range of five business days or a specific date for a planned interruption to occur. This engagement can occur in any form; however, if an agreement is made, then the retailer or DNSP must retain evidence of the customer's consent for at least two years.

If the retailer or DNSP is unable to contact the customer, then they will need to provide a minimum of four business days' notice to the customer of a planned interruption. The final rule will apply to both small and large customers.

BOX 5: CHANGES BETWEEN THE DRAFT AND FINAL RULE

The final rule largely retains the content and form of the draft rule. However, a number of changes have been made between the draft and final rule to enhance the operation of the rule and to clarify its intent.

A key change under the final rule is that customers are now able to agree to a date range for works that require an interruption to the customer's electricity supply. Customers can also agree for the planned interruption to be on a specific date.

Other relevant amendments to the final rule include:

- mirroring the obligations across retailer and distributor PINs[216]
- amending the record keeping provisions to specify that retailers and DNSPs need to retain evidence of customer consent to an agreed date or date range for two years
- removing the requirement on retailers to inform the DNSP directly of the retailer's 24 hour telephone number for enquiries when advising them of a retailer planned interruption.

216 Including changes to the PIN requirements for customers requiring life support equipment in order to align with the commencement of the *Strengthening protections for customers requiring life support equipment* rule.

6.1 Current arrangements

The NERR includes a number of consumer protections. These protections include requiring retailers and DNSPs to provide prior notice to customers before they conduct a planned interruption to their electricity supply.

6.1.1 Retailer planned interruptions

Under the NERR, retailers are able to arrange for an interruption to their customer's electricity supply without the involvement of the DNSP (a 'retailer planned interruption') where the interruption:[217]

- is for the purposes of installing, maintaining, repairing or replacing an electricity meter
- does not involve interrupting the supply of electricity to a customer that is not the customer of the retailer arranging the interruption.

6.1.2 Distributor planned interruptions

DNSPs are able to arrange for an interruption to a customer's electricity supply (a 'distributor planned interruption') for:[218]

- the planned maintenance, repair or augmentation of the transmission system
- the planned maintenance, repair or augmentation of the distribution system, including planned or routine maintenance of metering equipment (excluding a retailer planned interruption)
- the installation of a new connection or a connection alteration.

6.1.3 Planned interruption notices for large and small customers

The NERR specifies that a retailer or DNSP may only arrange a planned interruption of a customer's electricity supply once they have provided advance notice to the customer of the interruption.

This notice must be provided at least four business days before the date of the interruption, and must include:[219]

- the expected date, time and duration of the planned interruption
- a 24-hour telephone number for enquiries (the charge for which is no more than the cost of a local call)
- a statement that any enquiries about the interruption are to be directed to the party organising the interruption.

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217 Rule 59B of the NERR. A retailer planned interruption does not include de-energisation for non-payment or other reasons specified under Part 6 of the NERR.

218 Rule 88 of the NERR.

219 Subrules 59C(2) and 59C(4) of the NERR relate to retailer planned outages, and subrules 90(1) and (2) of the NERR relate to distributor planned outages.

Life support customers

For life support customers, the four business days' notice is to be provided in writing and must be counted from, but not include, the date of receipt of the notice.[220] Civil penalties provisions currently apply to these rule requirements.

Requirement to inform the other party

Under the NERR, retailers must notify the relevant DNSP at least four business days before a retailer planned interruption.[221] This is an additional consumer protection so that the DNSP can address any customer queries if contacted by the customer during a planned outage.

A similar requirement exists for DNSPs to notify the relevant retailer of a distributor planned interruption.[222]

6.1.4 24-hour phone line

When a retailer or DNSP provides an affected customer with a PIN, it must include a 24-hour telephone contact number for enquiries related to the planned interruption.[223] The Commission notes that the NERR does not require that planned interruptions only occur during business hours.

DNSPs must also provide customers with a 24-hour telephone contact number for enquiries related to unplanned interruptions.[224]

From 1 February 2019, new requirements specify that retailers must also provide life support customers with a 24-hour telephone contact number.[225] There are already obligations on DNSPs to provide a 24-hour telephone contact number for life support customers.[226]

6.2 AEC's view

6.2.1 Retailer planned interruption notices for small customers

The AEC was of the view that the current requirement for retailers to provide customers with at least four days' notice of a planned interruption is inflexible and can cause unnecessary delays in the installation process. The AEC stated that the current procedures do not recognise:[227]

- circumstances which could necessitate an agreed change in appointment between the retailer (or metering provider) and the customer. For example, where a customer cancels an installation, the most efficient response may be for the metering provider to schedule another job within the geographical proximity, subject to the customer's consent. The

220 Subrules 124(1)(f) and 125(2)(f) of the NERR.
221 Subrule 99A(1)(b) of the NERR.
222 Subrule 99(1)(b) of the NERR.
223 Subrules 59(4)(b) and 90(2)(b) of the NERR.
224 Subrules 90(2)(b) and 91(a) of the NERR.
225 This requirement will commence on 1 February 2019 under the *National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule2017*.
226 Subrule 125(2)(f) of the NERR
227 AEC, Rule change request, *Metering installation timeframes,* pp. 3-5.

AEC is of the view that this cannot happen under the current rules, given the four-day notice requirement.

- that a customer may support having the initial option to agree on an alternative date for a planned interruption, even if this date falls within the minimum four-day business period.

To resolve this, the AEC proposed that the following provisions relating to retailer planned interruption notifications be amended as follows:[228]

> (5) The period in which a retailer must notify a customer of a planned interruption may be varied by agreement between the retailer and the customer. This agreement must include the following:
>
> (a) the new period in which the retailer must notify the customer of a planned interruption;
>
> (b) the expiry day for the agreement;
>
> (c) the types of planned interruptions applying to the agreement;
>
> (6) The record must be in a format and include such information to enable the AER to verify the retailer's compliance with this rule; and the retailer to answer enquiries from a customer relating to the agreement.

The AEC considered that the proposed changes would provide small customers with greater flexibility and control over the timing of retailer planned interruptions, which it considered to be particularly important for life support customers. It would also enable meters to be installed in a more timely and efficient manner, ultimately lowering costs for the industry and consumers.[229]

Malfunctioning meters

In the case where a small customer has a malfunctioning meter, the rule change request proposed that the metering coordinator should not be subject to a maximum timeframe to replace or repair the meter if the customer has agreed to an alternative PIN.[230]

The AEC expressed concerns that, under the current arrangements, where a customer requests a planned interruption date beyond the four-day notification period, the metering coordinator may be in breach of their 10 business day timeframe under the rules.

6.2.2 Retailer planned interruption notices for large customers

The AEC proposed removing the current requirement on retailers to provide a PIN to a large customer where their electricity supply is affected by a retailer planned interruption.[231]

228 AEC, Rule change request, *Metering installation timeframes,* p. 14
229 AEC, Rule change request, *Metering installation timeframes*, pp. 5, 9.
230 ibid.
231 Small customers including life support customers.

The AEC considered that the current PIN provisions provide limited benefit to large customers. It was of the view that most large customers have current transformer (CT) connections, which means they do not experience an outage when their meter is being maintained or replaced.

The AEC suggested that information about which connections are CT connections is not readily available to the retailer and, as a result, retailers must assume that metering work at any large customer site will cause an outage for the large customer. This would mean that retailers must therefore provide a PIN to customers that do not require one.

The AEC claimed that meter replacement for large customer sites did not have any issues prior to the commencement of the new arrangements under the *Competition in metering* rule. It also considered that removing these requirements would reduce the administrative costs of the notification process for retailers.[232]

6.2.3 Retailer 24 hour phone line

The AEC proposed that retailers should only be required to provide a telephone contact number to address enquiries about retailer planned interruptions during business hours. While the AEC considered an emergency telephone contact number for life support customers to be appropriate and necessary, it did not consider it necessary to provide a 24-hour telephone contact number for other customers.

The AEC argued that enquiries to the retailer about planned interruptions are likely to be from customers seeking more information about the outage or wanting to change the appointment time, rather than about emergency issues. The AEC considers these types of enquiries are best addressed during business hours.[233]

The AEC considered that this change would reduce customer confusion without impacting on the necessary requirements for life support customers. These requirements include obligations for the life support customers to be provided with an emergency telephone contact number for the retailer and the DNSP. The DNSP would also continue to provide a 24-hour telephone contact number to all customers for planned and unplanned outages.[234]

The AEC considered that customer satisfaction may improve if customer enquiries about planned interruptions are able to be addressed during business hours. The proposal would also reduce the costs for retailers of maintaining a 24-hour telephone contact number for planned interruptions.[235]

232 AEC, Rule change request, *Metering installation timeframes*, p. 8.
233 AEC, Rule change request, *Metering installation timeframes*, pp. 7-8.
234 Under subrules 90(2)(b) and 91(a) of the NERR.
235 AEC, Rule change request, Metering installation timeframes, p. 8.

6.3 Stakeholder views - submissions to the consultation paper

6.3.1 Retailer planned interruption notices for small customers

Many stakeholders were supportive of the AEC's proposal, on the basis that allowing the customer and the retailer to agree on a time for a planned interruption would reduce installation delays.[236] Comments included that:

- the proposal would speed up installations in the case where customers need to reschedule or where there is bad weather. Currently, the meter installation can be prolonged even when a technician is available, due to the need for a retailer to issue another PIN.[237]
- the current requirements often led to metering coordinators scheduling installations conservatively because of the lack of flexibility to change the date, which contributes to delays.[238]

Several submissions argued that the added flexibility is particularly beneficial for the customer.[239] EnergyAustralia was of the view that customers often do not understand why they need a notification four business days' in advance of the planned interruption for metering related works, leading to complaints over the installation delay.[240] AGL was of the view that a majority of customers prefer their meter installation to be as prompt as possible and view advance notice of a planned interruption as a secondary concern.[241]

Other retailers suggested the AEC's proposal may reduce retailer costs, by lowering the number of wasted truck visits and the resending of notices for rescheduled appointments, and increasing the general efficiency of installations.[242] AGL expressed the view that the AEC proposal could also encourage retailers to be more proactive in engaging in new meter deployments.[243]

Implementation of the AEC's proposal

Stakeholders had a range of views regarding the implementation of the AEC's proposal. Comments included that:

- if a customer has initiated the metering service works or has requested a new time directly with the metering provider, then the retailer should not have to send out a PIN.[244] Customers should also be allowed to choose to waive their right to planned interruption

236 Consultation paper submissions: AGL, p. 1; Aurora Energy, p. 2; EWON, p. 4; EWOSA, p. 5; EWOQ, p. 3; Master Electricians Australia, p. 2; Origin, p. 2; Powershop, p. 3; Plus ES, p. 1-2; Red Lumo, p. 1; SA Department for Energy and Mining, p. 3; TasNetworks, p. 1.

237 Consultation paper submissions: Australian Energy Council, p. 2; AGL, p. 8; EnergyAustralia, p. 7-8; ERM Power, p. 3; Simply Energy, p. 1; Endeavour Energy, p. 4; Powershop, p. 4; Origin, p. 2; Jemena, p. 6; TasNetworks, p. 3; Vector, p. 6.

238 AGL, submission to consultation paper, p. 9.

239 Consultation paper submissions: AGL, p. 9; EnergyAustralia, p. 7; EWON, p. 4.

240 EnergyAustralia, submission to consultation paper, p. 7.

241 AGL, submission to consultation paper, p. 9.

242 Consultation paper submissions: Australian Energy Council, p. 4-5; EnergyAustralia, p. 8-9; Origin, p. 2; Red Lumo, p. 5; TasNetworks, p. 3.

243 AGL, submission to consultation paper, p. 9-10.

244 Plus ES, submission to consultation paper, p. 5.

communication, so that the installation can be done as soon as an installer can attend their property.[245]

- the metering provider should be able to obtain agreement with the customer on behalf of the retailer. [246]

Stakeholders also had views on how to ensure that customer consent is provided for an installation date. These included that retailers should be required to record any agreement made with the customer for compliance and enforcement purposes.[247] EWOSA considered that communication should occur through the customer's preferred method.[248]

Life support customers

The AER opposed the AEC's proposal applying to life support customers, arguing that this cohort of customers is particularly vulnerable and that the current protections associated with planned interruption timeframes are important in order to adequately cater to their needs.[249] AGL proposed that life support customers should continue to following the existing planned interruption communication process that notifies the customer of a single day when the meter exchange will be occurring.[250]

In contrast, most other retailers and metering businesses were generally supportive of the proposal applying to life support customers.[251] EnergyAustralia noted that jurisdictional energy ombudsmen have received complaints from life support customers about delays in meter installations due to the PIN process.[252]

6.3.2 Retailer planned interruption notices for large customers

Retailers and metering businesses were generally of the view that large customers do not require a planned interruption notice.[253] Comments included that:

- retailers typically set up an appointment time with their large customers to ensure that any supply interruptions occur at a suitable date and time, meaning a PIN only functions as an administrative requirement[254]
- the metering provider should agree on an outage time with the customer without having to manage specific PIN processes with the retailer[255]
- the majority of large customers are CT connected, which allows metering work to be completed without resulting in a supply interruption to the customer.[256]

245 EnergyAustralia, submission to consultation paper, p. 9.
246 Plus ES, submission to consultation paper, p. 5.
247 Consultation paper submissions: AER, p. 3; Plus ES, p. 2; EnergyAustralia, p. 8; TasNetworks, p. 2.
248 EWOSA, submission to consultation paper, p. 5.
249 AER, submission to consultation paper, p. 3.
250 AGL, submission to consultation paper, p. 1.
251 Consultation paper submissions: EnergyAustralia, p. 8; EWON, p. 5.; ERM Power, p. 3; Simply Energy, p. 1; Endeavour Energy, p. 4; Powershop, p. 4; Origin, p. 2; Jemena, p. 6; TasNetworks, p. 3.
252 EnergyAustralia, submission to consultation paper, p. 8.
253 Submissions to the consultation paper: Energy Australia, p. 9; Energy Queensland, p. 11; Plus ES, pp. 2-3.
254 EnergyAustralia, submission to the consultation paper, p. 9.
255 Energy Queensland, submission to consultation paper, p. 11.
256 Plus ES, submission to consultation paper, p. 2-3.

Energy Queensland stated that, in their experience, many large customers that operate small businesses have installations which are metered by whole current (WC) metering, and require outages to install, test and maintain meters. Such customers typically prefer for the outages to take place out of hours or during maintenance periods to minimise impacts to their business operations.[257]

Jurisdictional energy ombudsmen opposed the AEC's proposal, on the basis that it could impose substantial costs on large customers that do not have CT meters.[258] Interruptions to a large customers' electricity supply without advance notice could leave them with losses associated with spoiled stock, reduced production and potential damage to machinery.[259]

6.3.3 Retailer 24 hour phone line

Retailers were generally of the view that only life support customers require the provision of a 24-hour telephone contact number, and that other enquiries could be made during business hours.[260] Comments included that:

- If a customer loses power supply, the DNSP is the most suitable and best placed party to remedy the situation. This phone line may confuse customers who have a fault or emergency and need to contact the DNSP.[261]
- Emergencies rarely relate to metering or life support needs, so customers predominately do not need to contact retailers for these issues outside of business hours.[262]
- Having retailers' resource a call centre for 24 hour enquiries is not financially sustainable, especially for small retailers or new entrants.[263]

The AER had some concerns regarding the proposal, and noted that it is important for customers to have access to after-hours support in situations where metering related works has resulted in a customer being left without electricity supply.[264]

Jurisdictional energy ombudsmen generally opposed this proposal. Their comments included that:

- Many customers do not have the flexibility of contacting a retailer during business hours. If a planned interruption took place outside of business hours and/or lasted longer than the customer had been informed that it would, customers who were unexpectedly left off electricity supply would not have any recourse to the retailer.[265]

257 Energy Queensland, submission to consultation paper, p. 11.
258 Consultation paper submissions: EWOSA, p. 6; EWOQ, p. 4.
259 EWOSA, submission to consultation paper, p. 6.
260 Consultation paper submissions: EnergyAustralia, p. 9; Powershop, p. 6.
261 ibid.
262 ibid.
263 Powershop, submission to consultation paper, p. 6.
264 AER, submission to consultation paper, p. 4.
265 EWOQ, submission to consultation paper, p. 4.

- A retailer may use the same resources to operate a 24-hour telephone contact number for planned interruptions as it would to use operate a 24-hour telephone contact number for life support customers.[266]

6.4 Stakeholder views - submissions to the draft rule determination

6.4.1 Retailer planned interruption notices for small customers

Most stakeholders were supportive of the draft amendments to retailer PIN requirements under the NERR, on the basis that they would allow customers the flexibility to agree with their retailer a date for planned outages.[267]

Master Electricians Australia requested clarification that consent cannot be written into the generic terms and conditions of customer contracts.[268] It was of the view that PIN agreement must be on a case by case basis and on each occasion.

Ability for a customer to agree on a date range

Several retailers and metering businesses proposed that retailers should be able to negotiate a date range with a customer for works that would require an interruption to the customer's electricity supply.[269] They submitted that this would increase the efficiency of metering works by allowing retailers to manage the complexities of scheduling work across a diverse and geographically dispersed customer base.

These stakeholders had differing views around how a date range would be incorporated into the rules. For example:

- The Competitive Metering Industry Group (C-MIG) suggested a five business day window agreed with a customer for a meter installation would set an appropriate customer expectation and provide sufficient flexibility to metering parties.[270]
- PLUS ES supported a 10 business date range for metering works.[271]
- Vector suggested that subrule 59(C)(4) of the NERR specify that "the notification must specify the expected date or date range, time and duration of the retailer planned interruption..."[272]
- Red Lumo considered that a specific date must be agreed where a connection alteration is required.[273]

266 Consultation paper submissions: EWOSA, pp. 5-6; EWON, p. 5.

267 Draft determination submissions: TasNetworks, p. 1; EWOSA, p. 2; IPART, p. 3; Powershop, p. 1; Powermetric, p. 1; C-MIG, p. 1; Master Electricians Australia, p. 1; Energy Queensland, p. 10; Origin Energy, p. 1; Plus ES, p. 3; ERM Power, p. 1; Tasmanian Department of State Growth, p. 2; Red Lumo, p. 2.

268 Master Electricians Australia, submission to the draft determination, p. 1.

269 Draft determination submissions: Energy Queensland, p. 5; Vector, pp. 1-2; Aurora Energy, p. 1; AGL, p. 2; Plus ES, pp. 1-2; C-MIG, pp. 1-2; Red Lumo, p. 1.

270 C-MIG, submission to the draft determination, pp. 1-2.

271 Plus ES, submission to the draft determination, p. 1.

272 Vector, submission to the draft determination, p. 2.

273 Red Lumo, submission to the draft determination, pp. 1-2.

AGL asked for the rule to clarify that retailers of customers with life support equipment must arrange interruptions on specific dates agreed with or notified to the customer, and not on a range of dates.[274]

Life support customers

Stakeholders generally agreed that life support customers should have the flexibility to agree on a date for metering related works with their retailer if they choose to do so.[275]

Vector asked that written notification not be required in every case, in order to increase the flexibility of scheduling for the customer and retailer.[276]

Requiring retailers to inform the DNSP

Several retailers argued that the draft notification requirements on retailers to inform DNSPs of a retailer planned interruption were onerous.[277] They consider that notice is not required where a specific date is agreed with the customer, as the customer will be aware of the interruption and is unlikely to contact the DNSP.

Simply Energy, AEC and AGL requested that the final rule provide flexibility to retailers concerning the method by which they provide a 24-hour contact number to DNSPs, e.g. by allowing them to publish the phone number via their website.[278]

Following receipt of these submissions, the Commission sought feedback via email from DNSPs on the proposals outlined above.

DNSPs were opposed to removing the notification requirements on retailers to inform them of a planned interruption.[279] Endeavour Energy and CitiPower, Powercor and United Energy were of the view that some customers will forget the date of the planned outage or get it confused, and may call the DNSP instead of their retailer.

All DNSPs suggested that a failure to provide them with the information about planned outages could result in crews being dispatched to investigate the causes of the outage. These costs would be avoidable if notification was provided to the DNSP in the first instance by the retailer.

Some DNSPs were not opposed to removing the requirement on retailers to provide a 24-hour contact number with each planned outage notification.[280] Energy Queensland was opposed to the proposal on the basis that it would transfer the onus to DNSPs to actively track and manage retail contact numbers.[281]

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274 AGL, submission to the draft determination, pp. 3-4.

275 Draft determination submissions: IPART, p. 3; Origin Energy, p. 6; EWOQ, p. 2.

276 Vector, submission to the draft determination, p. 5.

277 Draft determination submissions: AEC, p. 3; Simply Energy, p. 5; AGL, p. 4.

278 Draft determination submissions: Simply Energy, p. 5; AGL, p. 4; AEC, p. 4.

279 Email correspondence with the AEMC: CitiPower, Powercor and United Energy, 12 November 2018; Ausnet Services, 8 November 2018; Energy Queensland, 6 November 2018; TasNetworks, 6 November 2018; Endeavour Energy, 6 November, 2018; Ausgrid, 5 November 2018; SAPN, 1 November 2018.

280 Email correspondence with the AEMC: Endeavour Energy, 6 November, 2018; SAPN, 1 November 2018.

281 Email correspondence with the AEMC: Energy Queensland, 6 November 2018.

Compliance and enforcement

Several stakeholders were of the view that the retailer should only be required to retain evidence of customer consent for two years, rather than seven.[282] They noted that a two-year requirement is in line with the current explicit informed consent (EIC) provisions in the NERL.

Malfunctioning meters

Powermetric, ERM Power and Origin opposed the draft requirement that metering coordinators must seek an exemption from AEMO in cases where the malfunction cannot be rectified within the applicable timeframe.[283] They were of the view that this requirement is inefficient in situations where the retailer has already obtained consent from the affected customer to extend the installation timeframe beyond the mandated requirements.

6.4.2 Retailer planned interruption notices for large customers

Some stakeholders were supportive of the Commission's draft decision to extend to large customers the same ability to agree with a retailer on a date for a planned interruption notice, even if this date provides the customer with less than four business days' notice that a planned outage will occur.[284]

Several retailers maintained the view that the current PIN provisions provide limited benefit to large customers.[285] AEC cited that large commercial and industrial consumers should have sufficient resourcing and bargaining power to uphold their own interests.[286]

6.4.3 Distributor planned interruption notices

TasNetworks, the Tasmanian Government and SAPN proposed that the PIN requirements for retailers and DNSPs should be aligned in the NERR. That is, DNSPs should also be allowed to agree with customers on a date for a planned interruption to their electricity supply.[287]

TasNetworks cited that there are a number of 'single customer interruption' scenarios that a given DNSP manages at any time, and providing the option to proceed with the work on a specific date agreed with the customer would result in more efficient scheduling and execution of interruptions and improved customer outcomes.

6.4.4 Retailer 24 hour phone line

Jurisdictional energy ombudsmen and consumer groups were supportive of the draft decision to retain the requirement for retailers to provide a 24-hour telephone number for enquiries about retailer planned interruptions.[288]

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282 Draft determination submissions: Simply Energy, p. 5; Plus ES, p. 3; AGL, p. 4.
283 Draft determination submissions: Powermetric, p. 3; ERM Power, p. 4; Origin, p. 1.
284 Draft determination submissions: EWOSA, p. 2; Origin Energy, p. 6.
285 Draft determination submissions: Simply Energy, p. 4; AEC, p. 1; Energy Queensland, p. 10;
286 AEC, submission to the draft determination, p. 1.
287 Draft determination submissions: TasNetworks, p. 2; SAPN, pp. 3-4; Tasmanian Department of State Growth, p. 2.
288 Draft determination submissions: PIAC, pp. 2-3; EWOSA, p. 2; EWOQ, p. 2.

ERM Power and Energy Queensland opposed the draft decision, on the basis that most enquiries by small customers relating to metering works could be made during business hours.[289]

The AEC recommended that the rule drafting be amended to clarify that the retailer has a requirement to host a 24-hour line in relation to interruptions, not for any enquiry a customer may have regarding metering works.[290]

6.5 Analysis

The Commission considers that customers should not have their electricity supply interrupted without being informed in advance. The requirements on retailers and DNSPs to notify customers of a planned interruption are important consumer protections under the NERR. Similarly, it is important for retailers and DNSPs to maintain telephone facilities for customers to get in contact with them regarding planned and unplanned outages.

6.5.1 Retailer planned interruption notices for small customers

Under the final rule, a retailer may engage with the customer in the first instance to agree either a date range of five business days or a specific date for a retailer planned interruption to occur[291]. This engagement can occur in any form, as long as the retailer retains evidence of explicit customer consent.

If the retailer is unable to contact the customer, then the retailer will need to provide a minimum of four business days' notice to the customer of a planned interruption. This notice must include:

- the expected date, time and duration of the planned interruption
- a 24-hour telephone number for enquiries (the charge for which is no more than the cost of a local call)
- a statement that any enquiries about the interruption are to be directed to the retailer.

The final rule provides retailers with the flexibility to conduct planned interruptions at shorter notice, as long as the customer explicitly consents. The Commission agrees with the AEC that allowing the customer and the retailer to agree on a time for a planned interruption would provide customers with greater flexibility and control and may reduce instances of meter installation delays.

The Commission is also of the view that it is important to ensure that an option remains for a retailer planned interruption to be organised if a retailer is not able to contact a customer to arrange a mutually agreeable time. The final rule is proposed to apply to both small and large customers.

289 Draft determination submissions: Energy Queensland, p. 10; ERM Power, pp. 4-5.

290 AEC, submission to the draft determination, p. 3.

291 Where a life support customer is residing at the premises, the retailer will not be able to offer a date range for a planned interruption.

Flexibility for customers to agree to a date or date range

The final rule allows customers (other than for customers requiring life support equipment at their premises) to agree to a date or date range for works that require an interruption to the customer's electricity supply. This is a change from the draft rule, which did not allow customers to agree to a date range for retailer planned interruptions.

In deciding this change, the Commission considered that agreeing a date range with most small customers is likely to allow retailers and metering providers to conduct metering works more efficiently across a diverse and geographically dispersed customer base. The Commission also considered that a proportion of customers may be receptive to agreeing a date range for metering works to take place, and that greater efficiencies are likely to result even if only some customers opt in.

Compliance and enforcement

Any agreement made with a customer for a specific date or a date range must be explicit. That is, where a small customer's consent is required by the final rule it must be 'positive' and not implied consent. It is not sufficient, for example, for the retailer to consider and take silence or inaction from the customer to be an indication of their consent to a proposed time.

If an agreement is made with a customer to conduct a planned interruption on a specific date or within a date range, retailers will be required to retain evidence of explicit customer consent for a period of at least two years. This evidence must be in a format and include such information to enable the retailer to answer enquiries from the customer relating to the agreement.

This is a change from the draft rule, which required retailers to keep evidence for at least seven years. The Commission considered that it was preferable to align the record-keeping provisions with the current explicit informed consent provisions in the NERL.

Life support customers to have flexibility to agree on a date

It is important to note that retailers will not be able to offer a date range to life support customers under the final rule, given the possibility of the customer being left off supply at an unexpected time due to metering works. However, life support customers will be able to agree to a specific date for a planned interruption if they choose to.

Under the final rule, current provisions in the NERR that provide additional protections for life support customers will continue to apply. Where a life support customer agrees with the retailer on a date for the retailer planned interruption, the retailer must give the life support customer written notice of the expected time and duration of the interruption and specify a 24-hour telephone number for enquiries.

If a retailer is not able to contact a life support customer, the retailer will be required to provide a minimum of four business days' written notice of the planned interruption. The four business days' notice will continue to be counted from, but will not include the date of receipt of the notice.

Final rule to require retailers to inform the DNSP

The final rule retains the requirement for retailers to inform the DNSP of a retailer planned interruption. Where the retailer and customer have come to an alternative agreement regarding the timing of the planned interruption, the retailer will be required to notify the DNSP of the agreed upon date or date range on the same business day as the agreement is reached.

The Commission considered that this provision was important to retain in order to ensure that DNSPs do not incur additional costs because they have not been informed of a retailer planned interruption, for example, by dispatching a crew to investigate the causes of an outage.

However, the final rule does not include a specific requirement for retailers to inform the DNSP of their 24-hour telephone number for enquiries. The Commission agreed with retailer submissions to the draft rule determination that it was unnecessary for retailers to include the same telephone number with each new notification to the DNSP of a retailer planned interruption.

Timeframes on replacing malfunctioning meters continue to apply

Under the final rule, if the retailer and small customer have agreed to a planned interruption that is more than 15 business days after the metering coordinator has been notified of a meter fault, then the metering coordinator will need to apply to AEMO for an exemption to the applicable timeframe.[292] The Commission considers it is necessary for AEMO to continue to have oversight of such cases, given the potential impacts on market settlement of a malfunctioning meter that is no longer recording energy data.

6.5.2 Retailer planned interruption notices for large customers

The final rule extends to large customers the same ability to agree with a retailer on a date or date range for a planned interruption as small customers. The Commission considered that this would provide increased flexibility for both retailers and large customers, while retaining an appropriate level of consumer protection.

The AEC's proposal to remove the requirement on retailers to engage with large customers regarding planned interruptions was not adopted. The Commission is of the view that this amendment would create a risk that large customers would not receive sufficient warning of an interruption to their supply and, as a result, may not have adequate time to prepare for the interruption.

AEMO has informed the Commission that it is possible for retailers and metering parties to determine which large customers have CT metering through its MSATS system. The NERR specifies that a PIN is only required to be provided to affected customers in cases where their electricity supply is interrupted. As large customers with CT connections do not experience a power outage when the meter is being maintained or replaced, they do not need to be issued with a PIN under the current rules.

292 The timeframe is outlined at clause 7.8.10(aa)(1) of the NER in the amending rule.

6.5.3 Distributor planned interruption notices

The Commission agreed with feedback to the draft rule determination that DNSPs would also benefit from increased flexibility in the rules regarding how they notify customers of a distributor planned interruption.

Under the final rule, DNSPs may also choose to engage with a small or large customer (other than for customers requiring life support equipment at their premises) in the first instance to agree either a date range of five business days or a specific date for a distributor planned interruption to occur. This engagement can occur in any form, as long as the DNSP retains evidence of explicit customer consent.

If the DNSP is unable or unwilling to contact the customer, then it will need to provide a minimum of four business days' notice to the customer of a planned interruption. This notice must include:

- the expected date, time and duration of the planned interruption
- a 24-hour telephone number for enquiries (the charge for which is no more than the cost of a local call)
- a statement that any enquiries about the interruption are to be directed to the DNSP.

The final rule provides DNSPs with the same flexibility to conduct planned interruptions at shorter notice as retailers. The Commission agrees that allowing the customer and the DNSP to agree on a time for a planned interruption may reduce meter installation delays in cases where connection services are required.

Compliance and enforcement

Any agreement made with a customer for a specific date or a date range must be explicit. That is, where a small customer's consent is required by the final rule it must be 'positive' and not implied consent. It is not sufficient, for example, for the DNSP to consider and take silence or inaction from the customer to be an indication of their consent to a proposed time.

If an agreement is made with a customer to conduct a planned interruption on a specific date or within a date range, the DNSP will be required to retain evidence of customer consent for a period of at least two years. This evidence must be in a format and include such information to enable the DNSP to answer enquiries from the customer relating to the agreement.

Life support customers to have flexibility to agree on a date

It is important to note that DNSPs will not be able to offer a date range to life support customers under the final rule, given the possibility of the customer being left off supply at an unexpected time due to metering works. However, life support customers will be able to agree to a specific date for a planned interruption if they choose to.

Under the final rule, current provisions in the NERR that provide additional protections for life support customers will continue to apply. Where a life support customer agrees with the DNSP on a date for the distributor planned interruption, the DNSP must give the life support

customer written notice of the expected time and duration of the interruption and specify a 24-hour telephone number for enquiries.

Final rule to require DNSPs to inform the retailer

The final rule includes a requirement for DNSPs to inform the retailer of a distributor planned interruption. Where the DNSP and customer have come to an alternative agreement regarding the timing of the planned interruption, the DNSP will be required to notify the retailer of the agreed upon date or date range on the same business day as the agreement is reached.

6.5.4 Retailer 24 hour phone line

Under the final rule, retailers will continue to be required to provide a 24-hour telephone contact number for enquiries when it provides an affected customer with a PIN. They will not be required to provide this number directly to customers that have agreed for the planned interruption to occur on a specified date (other than for life support customers) or within a date range of five business days.

Retailers will also be required to provide an emergency telephone contact number for life support customers from February 2019, in line with the current obligations under the NERR.

The Commission notes that, while DNSPs are currently required to provide a 24-hour telephone contact number, this service is only for enquiries related to distributor planned interruptions or unplanned interruptions.[293] This enquiry line is not for customers that experience a retailer planned outage for metering work.

Timing of retailer planned interruptions

There is no provision in the NERR preventing retailer planned interruptions from occurring outside of business hours. The Commission considers there is a risk that, if the AEC's proposal was adopted, then small customers may not have a method to reach the retailer during a planned interruption outside of business hours. In addition, we consider that some customers may have difficulty contacting a retailer to inquire about a planned interruption during business hours.

Stakeholders, such as the AER and EWOSA, raised concerns that removing the 24-hour phone line may deny customers necessary after hours support in cases where metering related works have left them without electricity supply. The Commission agrees with these views, and is aware of cases where customers have had trouble contacting their retailers when metering works have left them without electricity supply. We consider that this situation may worsen if retailers were only required to provide a telephone contact number for enquiries during business hours.

293 Subrules 90(2)(b) and 91(a) of the NERR. Retailers must also provide life support customers with a 24 hour emergency telephone contact number under subrule 124(1)(f) of the NERR.

7 CUSTOMER ENGAGEMENT IN NEW METER DEPLOYMENTS

This chapter outlines the Commission's reasons for not making a final rule in relation to proposed changes to opt out arrangements for retailer new meter deployments.

> BOX 6: CHANGES BETWEEN THE DRAFT AND FINAL RULE
>
> Consistent with the draft rule, the final rule does not alter the current provisions in the NERR relating to customer engagement in new meter deployments.

7.1 Current arrangements

The *Competition in metering* rule allowed a retailer to undertake a 'new meter deployment' of advanced meters to its small customers.[294] For example, a retailer may see operational efficiencies that could be achieved through remotely reading meters or providing consumers with faster disconnection and reconnection services. In this situation, the new advanced meter would replace an existing, functioning meter.

Advanced metering has the potential to provide a number of benefits to consumers, the market and the electricity system as a whole. The deployment of advanced meters by retailers can help realise these benefits more quickly, and possibly at a lower cost, than what could be expected if consumers had to actively opt in through bundled energy and metering products and services.

As part of the *Competition in metering* rule, the Commission was of the view that retailers should be able to deploy meters that meet the minimum services specification to their customers where they see a business case to do so, but that consumers should also be provided with appropriate consumer protections.

7.1.1 Notification to customers of a new meter deployment

To protect consumers, the NERR allows for small customers to opt out of a new meter deployment and retain their existing meter, and sets out a notification process for the retailer to provide customers with the option.

The retailer must provide two written notifications to the customer prior to the installation of an advanced meter:[295]

- the first no earlier than 60 business days and no later than 25 business days before the proposed meter replacement

294 A new meter deployment is the replacement of an existing electricity meter which is arranged by the retailer, where the replacement is not: at the request of the customer to enable the provision of a product or service; a maintenance replacement; or as a result of a metering malfunction. The requirement on retailers to notify customers of a new meter deployment is set out in rule 59A of the NERR.

295 Subrule 59A(2) of the NERR.

- the second no earlier than ten business days after the first notice and no later than 15 business days before the proposed meter replacement.

The initial notice must state, amongst other things: that the small customer may opt out of the new meter deployment; the way in which the customer may exercise their right to opt out of the meter replacement; and any upfront charges the customer will incur under a retail contract as a result of the new meter deployment.[296]

The written notification process gives the customer sufficient information and time to make an informed decision about whether to opt out of the new meter deployment. A customer may choose to opt out at any time after receiving the first notice up until the date specified in the notification (known as the last 'opt out' date), which must be no earlier than seven business days before the proposed installation date.[297]

It is important to note that the retailer is not required to comply with these notification obligations if, under the terms of the small customer's market retail contract, the retailer is authorised to undertake the new meter deployment.[298]

If the retailer is carrying out a new meter deployment, the retailer planned interruption notice may be combined with the second notice that the retailer is required to provide to the customer regarding the meter deployment and the customer's right to opt out of that deployment.[299]

7.2 AEC's view

In its rule change request, the AEC considered that the current notification requirements for retailers deploying new meters to small customers are inflexible and may be confusing. This is because the current notification process must be followed even if the customer provides explicit consent to the new meter deployment after the first notice. The AEC is concerned that customers may be confused by the second opt out notification where they provide consent to the new meter deployment after the first notification.[300]

The AEC proposed that a customer should be able to agree to the new meter deployment at a time of their choosing, and waive the notification process. As a result, the retailer would not need to comply with the notification requirements set out in rule 59A of the NERR. The AEC envisaged that customers could provide their consent to the retailer to waive the second notification in any manner that can be verified for the purposes of compliance and enforcement.[301]

296 Subrule 59(A)(3) of the NERR.
297 Subrule 59(A)(3)(c) of the NERR.
298 Subrule 59(A)(8) of the NERR.
299 Subrule 59C(3) of the NERR.
300 AEC, Rule change request, *Metering installation timeframes*, p. 7.
301 AEC, Rule change request, *Metering installation timeframes,* p. 13

The AEC considered that the change may help to reduce customer confusion with the new meter deployment process and allow customers to choose how they will be engaged. It may also reduce the administrative costs associated with sending multiple letters to customers.[302]

7.3 Stakeholder views - submissions to the consultation paper

Retailers and metering businesses were generally supportive of the AEC's proposal to allow customers to agree to a new meter deployment and waive the opt out notification requirements.[303] Comments included that:

- allowing customers to waive their opt out notifications may alleviate customer confusion and may reduce administrative costs for retailers[304]
- to obtain informed consent from a customer, retailers would need to be required to outline the consequences of a customer refusing a meter installation after providing consent to install a meter, such as fees for any retailer costs incurred[305]
- retailers should be required to provide only one notification informing the customer of their right to opt out of a new meter deployment, for example, no earlier than 30 days before the installation, rather than providing two notices as required under the current arrangements.[306]

EWOSA did not support AEC's proposal, but supported its aim of reducing the number of notices which the retailer would need to provide to customers under certain circumstances. EWOSA believed that customers being able to waive their right to the opt out process completely creates the risk of customers agreeing to something that they are not fully informed about.[307] EWOSA instead proposed retailers should still be required to send the first notice to customers without being required to send the second one, as long as the customer provided explicit written informed consent for the deployment after the first notice.[308]

The AER and other jurisdictional ombudsmen opposed the AEC's proposal.[309] Comments included that:

- there is a risk with the AEC's proposal that the customer could agree to participate in a new meter deployment without being fully informed about it[310]
- the current arrangements provide customers with necessary consumer protections and opportunities to opt out of the new meter deployment[311]

302 AEC, Rule change request, *Metering installation timeframes*, p. 8.
303 Consultation paper submissions: AGL, p. 10; EnergyAustralia, p. 9; Energy Queensland, p. 9; Powershop, p. 5; Vector, p. 6.
304 Powershop, submission to the consultation paper, pp. 3 and 5.
305 Powershop, submission to consultation paper, p. 5.
306 EnergyAustralia, submission to consultation paper, p. 9.
307 EWOSA, submission to consultation paper, p. 5.
308 ibid.
309 Consultation paper submissions: AER, p. 4; EWON, p. 5;EWOQ, p. 3.
310 AER, submission to consultation paper, p. 4.
311 Consultation paper submissions: AER, p. 4; EWON, p. 5;EWOQ, p. 3.

- no customer or industry complaints have attributed delays in installing meters to the opt out provisions.[312]

7.4 Stakeholder views - submissions to the draft rule determination

In response to the draft rule determination, EWOSA expressed its support for the Commission's draft decision to not change the current opt out arrangements for retailer new meter deployments under the NERR.[313]

7.5 Analysis

The Commission has not made a final rule in relation to the AEC's proposed changes to the small customer notification requirements for new meter deployments. Unless a small customer has waived their right to opt out of notifications under the terms of their market retail contract, retailers will continue to be required to provide two opt out notifications to small customers under the NERR.

The current process is an important consumer protection under the *Competition in metering* rule and is designed to provide retailers with a consistent and enforceable mechanism to notify small customers of a proposed new meter deployment. It was also designed to provide small customers with information on issues such as the associated charges and timing of the meter deployment, in order to enable them to make an informed decision about whether to opt out of the deployment. The Commission considers these are important customer protections that should be retained.

Currently, very few new meter deployments have been initiated by retailers. The AER has also indicated that it has not received any customer or industry complaint regarding the current opt out procedures. The Commission is of the view that there is currently no need to make changes to the notification process as there has been no conclusive evidence that this process is creating confusion.

The Commission notes that, prior to a new meter deployment, retailers are currently not required to send notifications to a small customer that has waived their right to receive opt out notifications as part of the terms of their market retail contract. EWON's submission to the consultation paper mentioned that market retail contracts increasingly include a clause removing the customer's right to opt out from a new meter deployment.[314]

312 AER, submission to consultation paper, p. 4.
313 EWOSA, submission to the draft determination, p. 2.
314 EWON, submission to consultation paper, p. 5.

8 IMPLEMENTATION OF THE RULE

This chapter sets out the commencement date of the final rule, as well as the interim steps that may need to be undertaken by relevant parties prior to commencement of the rule.

BOX 7: CHANGES BETWEEN THE DRAFT AND FINAL RULE

The final rule will commence on 1 February 2019. This change was made to align the rule with the commencement of the *Strengthening protections for customers requiring life support equipment* rule. Both rules will require DNSPs and retailers to make changes, respectively, to their standard retail contracts and deemed standard connection contracts.

The Commission considered that it would be preferable to align the commencement dates of the two rules so that retailers and DNSPs can make these changes at the same time, in order to minimise the overall costs of regulatory compliance for these parties.

In addition to the above change, the final rule also includes a transitional provision which specifies that, for small customers with an outstanding request for a meter installation with their retailer as at 1 February 2019, the commencement of the relevant metering installation timeframe will take effect.

8.1 Draft rule determination

In the draft rule determination, the Commission proposed a commencement date of 1 January 2019 for the changes to Chapter 7 of the NER and new subrule 56C of the NERR (relating to metering installation timeframes).

The provisions related to planned interruption notifications were proposed to commence on 6 December 2018.

8.2 Stakeholder views - submissions to the draft rule determination

Government stakeholders and energy ombudsmen were supportive of the proposed commencement dates in the draft rule determination.[315]

The South Australian government requested that the final rule include a transitional provision to take account of small customer initiated metering installations that were scheduled, but not actioned, prior to 1 January 2019.[316] It requested that, in these situations, the commencement date of the rules should be considered the day that the retailers' installation timeframe requirements commence.

315 Draft determination submissions: SA Department for Energy and Mining, p. 1; EWOSA, p. 1; PIAC, p. 3; EWOQ, p. 3.

316 SA Department for Energy and Mining, submission to the draft determination, p. 4.

Retailers and metering parties requested the implementation of the clauses relating to metering installation timeframes be deferred past 1 January 2019.[317] Proposals included that the timeframe provisions should commence on:

- 31 January or 1 February 2019, given that December is the busiest month for new connections[318]
- 1 March 2019, to allow time for the industry to make changes, test systems and embed process changes[319]
- 1 April 2019, but more preferably once AEMO has configured any B2B changes, Victoria has considered jurisdictional derogation and retailers and metering parties have developed processes and procedures[320]
- 1 July 2019, allowing a lead time of at least six months to implement the rule change.[321]

Simply Energy also expressed a preference for all the new rules to be made effective at the same time, because they are interrelated.[322] Origin Energy was of the view that the penalty regime should not commence until the B2B procedures are reviewed and operating as intended.[323]

8.3 Commencement of the rule

The final rule will commence on 1 February 2019. This is a change from the draft rule determination, which proposed an earlier commencement date of 6 December 2018 (for the provisions related to planned interruption notifications) and 1 January 2019 (for the provisions related to metering installation timeframes).

In determining an appropriate commencement date, the Commission considered:

- the severe impact on small customers arising from delays in the installation of meters, including customers suffering from financial hardship, left without electricity supply or unable to access new electricity products and services
- the timeframes required by relevant parties to implement the new requirements in the final rule.

The Commission is cognisant that the new obligations placed on retailers and DNSPs may necessitate changes to their systems, processes, terms and conditions in standard form contracts, and contractual relationships with other parties. In light of this, the commencement date of the rule has been aligned with that for the *Strengthening protections for customers requiring life support equipment* rule.

317 Draft determination submissions: Aurora Energy, p. 1; AEC, p. 4; Simply Energy, p. 7; Powermetric, pp. 3-4; Energy Queensland, p. 7; Vector, pp. 6-7; ERM Power, p. 5; AGL, p. 8; Red Lumo, p. 2.

318 Draft determination submissions: AEC, p. 4; Simply Energy, p. 7; Red Lumo, p. 2.

319 AGL, submission to the draft determination, p. 8.

320 Draft determination submissions: Vector, pp. 6-7; Powermetric, pp. 3-4; ERM Power, p. 5.

321 Energy Queensland, submission to the draft determination, p. 3.

322 Simply Energy, submission to the draft determination, p. 7.

323 Origin, submission to the draft determination, p. 1.

Both rules will require DNSPs and retailers to make requisite changes to their standard retail contracts and deemed standard connection contracts. The Commission considered that it would be preferable to align the commencement dates of the two rules so that retailers and DNSPs can make these changes at the same time, in order to minimise the overall costs of regulatory compliance for these parties.

8.3.1 Transitional provisions

The final rule includes a transitional provision under the NER which specifies that, for small customers that have a request for a meter installation outstanding with their retailer as at 1 February 2019, the commencement of the relevant metering installation timeframe will take effect. An exception to this is where the customer has agreed, or agrees following the commencement of the rule, to a future date or date range for installation with the relevant parties.

The Commission included this transitional provision in the final rule so that customers that are experiencing meter installation delays and have lodged a request prior to 1 February 2019 also benefit from the consumer protections provided by the final rule.

8.4 Preparing for implementation

To implement the proposed rule, industry participants will be required to undertake a number of systems, process and contractual changes. This may include (but is not limited to):

- retailers and DNSPs to make changes, respectively, to their standard retail contracts and deemed standard connection contracts
- renegotiating contractual relationships between retailers and metering parties to take account of the timeframes, where necessary
- system changes to migrate to AEMO's B2B platform, unless another communication method is agreed between parties
- amending internal processes to account for the new obligations regarding planned interruption notifications
- amending communication materials to notify small customers of the new timeframes for customer initiated metering installations.

The Commission notes that AEMO, AER and AEMC staff have been working closely together to reduce implementation risks as far as possible.

The final rule, which applies metering installation timeframes to the retailer, will also need to be amended through jurisdictional derogation in Victoria. This is because the DNSP remains the key party responsible for metering related works, including meter installations, in that State.

ABBREVIATIONS

Table 1: Abbreviations

AEC	Australian Energy Council
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
ASP	Accredited service provider
Commission	See AEMC
DNSP	Distribution network service provider
ESCOSA	Essential Services Commission of South Australia
EWON	Energy and Water Ombudsman New South Wales
EWOQ	Energy and Water Ombudsman Queensland
EWOSA	Energy and Water Ombudsman South Australia
HIA	Housing Industry Association
MCE	Ministerial Council on Energy
MEA	Master Electricians Australia
metering parties	Metering coordinator, metering data provider, or metering provider
MRIM	manually read interval meter
NEL	National Electricity Law
NEM	National Electricity Market
NEO	National electricity objective
NER	National Electricity Rules
NERL	National Energy Retail Law
NERO	National energy retail objective
NERR	National Energy Retail Rules
NGL	National Gas Law
NGO	National gas objective
SAPN	South Australian Power Networks

A SUMMARY OF OTHER ISSUES RAISED IN SUBMISSIONS

A.1 Summary of other issues raised in submissions to the consultation paper

Table A.1 sets out the issues raised in the first round of consultation on this rule change request and the AEMC's response to each issue. Table A.2 sets out the issues raised to the draft rule determination, as well as the AEMC's response.

If an issue raised in a submission has been discussed in the main body of this document, it has not been included in these tables.

Table A.1: Summary of other issues raised in submissions to the consultation paper

STAKEHOLDER	ISSUE	AEMC RESPONSE
Supply outages		
Plus ES, p. 2	PLUS ES would also like to explore the concept of an "MC Planned Interruption" where, for the purpose of installing metering equipment, the MC would be allowed NMI discovery rights to identify third party customers that would be affected by the operation of a shared fuse and be allowed to negotiate temporary supply interruptions with the third party customers. The aim of this change would be to facilitate more efficient and timely installation of metering equipment, predominantly in multi-occupancy circumstances, by voiding the extra step of employing a "Network Planned Interruption".	The Commission is aware that industry, including retailers and metering parties, are collaborating with each other to develop a standard practice for cases where metering related works necessitate an interruption to the supply of third party customers, such as in multi-occupancies. We welcome any efforts to resolve an important issue, and may consider this issue in the future as part of a rule change.
Vector, p. 7	Metering coordinators should be given the right to interrupt supply for the purpose of performing metering related works. Currently, the rules prohibit the metering coordinator from interrupting supply to a customer that has	

STAKEHOLDER	ISSUE	AEMC RESPONSE
	not been given at least four business days' notice of a supply interruption either by the retailer or the DNSP.	
Customer protections		
EWOQ, p. 3	Customers may also be required to continue to pay an ongoing service fee to have a meter provided in working order and any adjustment in the final rule change should consider the implementation costs for customers, as currently the rule is silent on costs for customers.	The Commission notes that under the metering contestability reforms, customers that have received advanced meters have not only received a meter that can support more services than under the previous regulated approach to metering, but they have also generally done so at no upfront cost. We do not consider that further regulation with regard to the price of metering services is necessary at this stage.
Other options to reduce installation timeframes		
Housing Industry Association, p. 3	Retailers are requested to develop on their website or through a portal, a means for customers 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 the HIA is aware some electrical retailers have started to look at this.	The Commission does not consider that this needs to be a requirement in the Rules, as customers can currently contact their retailer to find out the progress of their metering connection. We do, however, encourage retailers to develop solutions such as this as a 'value-add' to attract and retain customers.
Dr Martin Gill, p. 2	Waiting times would be reduced significantly if consumers were allowed to appoint their own metering provider.	Under *Competition in metering, s*mall customers are not permitted or required to appoint their own Metering Coordinator. This approach was adopted so that the arrangements are simple and practical from a small customer's perspective. The ability of small customers to appoint their own Metering Coordinator will be reviewed three years after the commencement of the reforms.

STAKEHOLDER	ISSUE	AEMC RESPONSE
Powershop, p. 3	Powershop suggests the AEMC review the Victorian metering procedures, particularly installation procedures, to drive better customer outcomes through more efficient processes. Powershop finds the CititPower/Powercor and Energex meter installation process efficient and customer friendly.	Noted.
Timeframes in other scenarios		
EWOSA, p. 4	In addition to meter installation issues, there have also been problems with meter testing since the introduction of metering contestability and EWOSA believe a timeframe of 20 days should also be imposed on carrying out meter testing.	Meter testing is outside of the scope of this rule change.
SA Department for Energy and Mining, p. 2	A six business day timeframe should also apply to meter abolishments.	Meter abolishments are outside of the scope of this rule change.
Accredited Service Provider schemes		
Master Electricians Australia, p. 2	The ideal solution is for all States to implement the (proven) NSW model, allowing suitably qualified contractors to install meters when they are wiring a new home, and to connect that home to the grid when they have completed the metering work.	The Commission notes that models such as the NSW scheme are a matter for relevant State jurisdictions to determine. We are not aware of any impediments in the rules that prevent jurisdictions from adopting this approach.
AGL, p. 5	AGL believes the NSW ASP scheme provides the most efficient method for hanging electricity meters, with the best outcomes for customers of all types energy consumers, builders and tradespeople. This is because the coordination with the network is rarely required, allowing meter coordinators to assign suitably qualified ASPs to complete	

STAKEHOLDER	ISSUE	AEMC RESPONSE
	both the connection and meter installation components where required. This provides a guarantee of installation timeframes for the customer as they directly interact with the party that is completing the work, instead of through the retailer or network.	
HIA, p. 2	HIA considers that for a retailer to be able to provide timely installations, urgent changes to the process are required that permit a builder's electrician or electrical contractor who has specific qualifications, to run the mains power from the pit or pole to site, hang the meter and power it up, in a single visit. In reading the National Electricity Rules and discussions with the various bodies involved, the HIA's understanding is that there is not legislative impediments that would restrict this outcome from being achieved.	
AEMO procedures		
Powershop, p. 3	Streamline AEMO procedures by removing sequential timeframe requirements for selecting metering coordinators and metering providers in the Market Settlement and Transfer Solutions to allow retailers to appoint roles at the time of receiving the request.	As part of this final determination, the Commission has recommended to AEMO that it streamlines the appointment process in its Market Settlement and Transfer Solutions (MSATS) system for metering parties in certain circumstances. We consider that the objection period for metering role changes should be reduced to zero days in cases where an existing accumulation or MRIM meter needs to be replaced with an advanced meter.
AEMO, pp. 4-5	AEMO notes that in other proposals to the AEMC, the AEC has considered an alternative approach to metering coordinator appointment, which seeks to establish a new role of 'pending metering coordinator'. AEMO does not consider that such a change would have a material benefit to	

STAKEHOLDER	ISSUE	AEMC RESPONSE
	the timeframes for replacing meter installations and that there is likely to be negative impacts to customers, the market and participants. including: • requirements on the metering coordinator to progress with planned works, both reactive to customer requirements and proactive fault or metering installation malfunction rectification works (where the metering coordinator is not an initial metering coordinator) • requirements for the metering coordinator regarding the management of exemptions (e.g. resolving 4A communication issues and malfunctions) • provision of information regarding the nature of the malfunction to the incoming metering coordinator • the obligations on the current metering coordinator to test and inspect in accordance with the NER or an AEMO approved alternative methodology.	This change should address the issues raised by proponents.
Aurora Energy, p. 2	A rule change addressing the issues related to meter churn by incoming Metering Coordinators has been submitted to the AEMC. By removing unnecessary market transactions, the meter installation process can be expedited by two to three days.	
Guaranteed Service Level (GSL) scheme		
EWOQ, p. 3	Other options for consideration may include: •	The Commission is of the view that the timeframes and associat

STAKEHOLDER	ISSUE	AEMC RESPONSE
	• Bringing in a compliance component with a possible guaranteed service level payment if the timeframe is not met. • Expanding the compliance component and possible guaranteed service level payment affected parties other than the customer requiring the replacement meter. • This can occur where the meter requires de-energisation of neighbouring premises.	ed civil penalties for not meeting these timeframes proposed in this final rule would provide certainty for customers regarding metering installation timeframes being met.
AER, p. 2	We note that under the pre-1 December 2017 arrangements consumers had access to compensation under jurisdictional Guaranteed Service Level Schemes if installation timeframes were not met. These schemes were useful in providing customers with a level of certainty as to timeframes for meter installations and financial redress in the event timeframes were not met. The AER would recommend/be supportive of further consideration of how such a model might apply in relation to meter installations.	
Uncategorised comments		
SA Department for Energy and Mining, p. 2	The AEMC should consider whether a 'metering coordinator of last resort' and/or a 'metering provider of last resort' provision could be included in the rules. Such a provision would apply if retailers (and their metering service providers) fail to undertake metering-related services within the proposed timeframe of six business days (or a	The Commission is of the view that this problem will be resolved by this final rule by imposing timeframes for various meter installations and proposing civil penalties if retailers (and their metering service providers) fail to undertake metering-related services within the required timeframe.

STAKEHOLDER	ISSUE	AEMC RESPONSE
	date agreed with the customer). For example, this 'last resort' function could be undertaken by a local distribution network operator or alternative metering coordinator and metering provider that has the capacity to undertake metering-related services.	
EWOSA, p. 1	Another issue has been the connection of solar photovoltaic panels to existing meters, which has resulted in the accumulation meter spinning backwards and problems associated with estimated bills, high bills and back billing.	The roll-out of smart meters and the installation timeframes in this final rule should address this problem, as the installation of solar panels should be accompanied by the installation of an advanced meter. A customer seeking to install a solar meter should inform their retailer in order to obtain a smart meter as quickly as possible.
Masters Electricians Australia, p. 4	As well as causing significant delays to meter connections, the cumbersome nature of the federal and State regulations is now also prompting systematic breaches of the ring-fencing provisions, which severely undermines the intent and the free market nature of the Power of Choice model. In their experience, State-government-owned DNSPs are finding the system too difficult to navigate, and "in sourcing" metering work to their own workforce – allowing them to install meters and connect homes to the network while they are on site rather than following the new rules. This approach will, no doubt, cut the waiting times as it eliminates many of the steps in the diagram above. However, it entirely cuts out electrical contractors from the contestable work. This reduces competition and denies consumers the full benefits of the national rules.	The Commission notes that any breaches of the ring-fencing provisions are serious, and should be referred to the AER for investigation.

A.2 Summary of other issues raised in submissions to the draft rule determination

Table A.2: **Summary of other issues raised in submissions to the draft rule determination**

STAKEHOLDER	ISSUE	AEMC RESPONSE
Supply outages		
intelliHub, p. 2	intelliHUB Group would also like the concept of an "MC/MP Planned Interruption" where, for the purposes of installing metering equipment, the MC would be allowed to engage third-party customers that would be affected by the operation of a shared fuse and be allowed to negotiate temporary supply interruptions with the third-party customers whilst on site. The aim of this would be to facilitate more efficient and timely installation of metering equipment, predominantly in multi-occupancy circumstances, by avoiding the extra step of employing a "Network Planned Interruption".	The Commission, the AER and AEMO will host a separate workshop in Adelaide in December 2018 with retailers, DNSPs, other industry groups and jurisdictional governments with an aim to develop standard solutions for cases where metering related works necessitate an interruption to the supply of third party customers, such as in multi-occupancies that are behind the same point of isolation. It is expected that this issue will be a focus of interest for the energy market bodies over the coming months.
Citipower, Powercor and United Energy, p. 1	The draft rule determination proposes that in rare cases where a customer has experienced a loss of supply as a result of a faulty meter the meter can be bridged (or by-passed) by the DNSP to restore supply until the meter is repaired or replaced. Bridging the meter utilises the faulty meter when restoring supply, while bypassing the meter requires the installation of a 'connector' device that allows supply to be restored without a meter. We consider both practices to be unsafe with digital electronic meters and do not bridge or by-pass meters as part of our operations. Bridging can leave the meter energised exposing by-standers to injury or property to fire damage.	Noted and amended in the final determination.

STAKEHOLDER	ISSUE	AEMC RESPONSE
	In by-passing, the use of connectors may leave exposed live parts or lead to incorrect wiring (known as 'reverse polarity') deeming it as an unsafe installation. In the case of a network fault, when there is an injection of high-voltage electricity into the low-voltage network the injection damages the digital electronic meter which stops electricity supply to the customer. The digital electronic meter can similarly be damaged by a near-by lightning strike or excessive fault current passing through from the customer side. In these cases, the only safe way to re-store supply to the customer is to replace the meter with either a new meter or a similar network device. As there are DNSPs that do not bridge or by-pass meters, the AEMC should specify in the final determination that in "rare cases where a customer has experienced a loss of electricity as a result of a faulty meter, the local DNSP should undertake its usual practices to maintain supply un-til it is repaired or replaced".	
EWON, p. 2	In its draft rule determination, the AEMC stated: "The Commission is not aware of any cases of complaints that malfunctioning meters are leading to customers being left off supply. All DNSPs have agreed to 'bridge' the meter to maintain supply if the meter malfunction could have an impact on continued electricity supply for the customer." However, in our submission to the consultation paper, we	The case studies that EWON provided (and referred to by PIAC) are extremely dissapointing examples of adverse customer out-comes. They are also of serious concern to the Commission. However, it is the Commission's understanding that the case studies listed would not be characterised as malfunctioning me-ters for the purposes of the timeframes in the NER. Rather, they would be considered new connections that have been initiated by the small customer.

STAKEHOLDER	ISSUE	AEMC RESPONSE
	provided the following case study of a customer without power due to a malfunctioning meter. As these case studies illustrate, customers can be left without power due to a malfunctioning meter, and DNSPs may not always 'bridge' the meter in a timely manner. As such, EWON very strongly advocates that the meter installation timeframes for customers in this circumstance not be extended. Alternatively, there need to be more robust arrangements made which enable DNSPs to return to a property and 'bridge' the meter once customer-initiated repairs have been completed. Additionally, the current and proposed metering installation timeframe requirements of 7.8.10 only apply after a metering coordinator has been notified of a malfunction. As any customer complaint will be made directly with the customer's retailer, EWON strongly recommends that this timeframe should apply after either a retailer or metering coordinator has been notified.	Under the final rule, these customers would be protected by the new timeframe on retailers to install a meter at a new connection within six business days. Regarding EWON's second point, it should be noted that there is a requirement in the NER on retailers to notify the metering coordinator within 1 business day if they become aware of a metering installation malfunction that cannot be rectified within the applicable timeframe (per clause 7.8.10(d) of the NER).
PIAC, pp. 1-2	PIAC notes the Energy & Water Ombudsman NSW's (EWON) consultation paper submission, which includes two case studies demonstrating that, even with DNSP 'bridging' in place, consumers were left with lengthy supply interruptions while they waited for malfunctioning meter replacements. Given the evidence provided by EWON that there is poten	

STAKEHOLDER	ISSUE	AEMC RESPONSE
	tial for considerable consumer harm (supply interruptions) due to meter malfunctions, we do not consider it appropriate that the timeframe for replacement of these meters be extended.	
Other options to reduce installation timeframes		
Vector, p. 3	While the draft rule determination places new obligations on DNSPs related to establishing a connection service, it does not address non-connection services, particularly around 'Temp isolation – Group Supply'. Long lead times driven by DNSPs' requirements of up to 6 weeks' notice to arrange a temporary isolation is impacting the delivery of advanced meters to consumers. We understand that the AEMC is aware of work in the industry related to multi-occupancies; however, this work is not focused on DNSP lead times for DNSPs to attend sites. We strongly encourage the AEMC to address the issues of long lead times by requiring DNSPs to assist retailers in meeting their obligations when temporary isolation is required. We propose an additional clause - clause (e) - to section 7.8.10B of the Draft Rule which will introduce a similar obligation to that which exists for connection services.	Noted, but this issue is outside the scope of the current rule change.
Accredited Service Provider schemes		
Masters Electricians Australia, p. 1	MEA would also strongly recommend the adoption of the aforementioned ASP system as soon as possible by all jurisdictions. It would be well within a Metering Coordinator's ability to authorise additional legitimate Electrical	The Commission notes that models such as the NSW scheme are a matter for relevant State jurisdictions to determine. The Commission does not consider there are any impediments in the rules that prevent jurisdictions from adopting this approach.

STAKEHOLDER	ISSUE	AEMC RESPONSE
	Contractors to undertake metering provider tasks particularly in rural and remote regions, once appropriate training and testing of contractors has been undertaken. For those electrical contractors that predominately undertake new building work this would remove an enormous amount of wasted time and effort in establishing a new meter to a new dwelling.	
Ausgrid, pp. 3-4	Ausgrid suggested that, where a customer requests alteration services directly from a retailer, there may be merit in also including in the final rule an obligation on the retailer to interact with and inform any appointed accredited service provider or customer's agent.	The Commission considers that this requirement is unnecessary, given that the ASP will be acting as the customer's agent and should be informed by the customer.
AEMO procedures		
Simply Energy, p. 4	DNSPs in Queensland and Victoria both use most transactions in B2B e-hub. As a result, the operational processes in these States are generally reliable, trackable and well controlled. Further, processes in these State are almost fully aligned with the process flows in figures 4.1 and 4.3 of the draft rule determination. While it is accepted that there will always be some form of jurisdictional difference, Simply Energy is of the view that an improved and harmonised B2B framework would benefit all participants. As such, Simply Energy recommends that the AEMO's Information Exchange Committee should take an action to revise the B2B procedures. That said, as in the interim, Simply Energy considers that the current	Noted.

STAKEHOLDER	ISSUE	AEMC RESPONSE
	B2B procedures should be adopted across all jurisdictions.	
Plus ES, p. 2	To support the ability to monitor and meet the timeframes proposed for the new and upgrade connection requests, PLUS ES requests the use of a Service Order Reason for all Meter Exchange Service Orders (as per Disconnection Service Orders). This will allow the market to distinguish the different categories of Metering Service Works in the Meter Exchange space and apply the appropriate time-frames. PLUS ES proposes the reasons of: • Fault- Meter Fault requires meter replacement; • Customer- Customer initiated meter replacement; • Family- Meter replacements due to family failure; • Emergency – Emergency Meter Exchanges; • Retailer – New meter deployment as initiated by Retailer.	Noted.
Uncategorised comments		
Simply Energy, p. 7	Simply Energy would also appreciate the AEMC giving consideration to providing further clarity on customers that are classified as "sensitive load" to avoid an inconsistent approach across the industry.	This is outside the scope of the current rule change.
Hunter Water, p. 1	I represent a state owned corporation with in excess of 700 metered sites. Of these there approximately 550 small sites. The majority of these sites are outdoor switchboards with locked cubicles. We typically add or replace 20	The first point is a matter for negotiation between the small customer and the retailer. At the moment, small customers are not able to appoint their own metering providers.

STAKEHOLDER	ISSUE	AEMC RESPONSE
	switchboards per annum. We welcome the changes and believe they should make a significant improvement to the issues currently faced by customers in relation to having known timeframes and a clear process. While we and other customers like ourselves represent a small portion of the meter installations we potentially face a disproportionate burden if our situation is not considered under the rule change. We have two submissions for consideration: 1. The process for meter upgrade and / or replacement whereby a retailer, in conjunction with the metering coordinator, advises the customer via a planned interruption notice. Our polices are such that in order for electrical work to be conducted on our sites the worker must have successfully completed our inductions. The process proposed does not appear to tackle such situations. 2. It would be extremely advantageous for us to be able to arrange for the meter to be installed while the switchboard is still at the manufacturer's workshop. This makes a significant impact to the task loading on the day of initial energisation at site as well as tackling the WHS implications associated with meter installers entering and conducting electrical work within the confines of a construction site controlled by a third party.	The second point is a matter for jurisdictional safety regulations.

B LEGAL REQUIREMENTS UNDER THE NEL AND NERL

This appendix sets out the relevant legal requirements under the NEL and NERL for the AEMC to make this final rule determination.

B.1 Final rule determination

In accordance with s. 102 of the NEL and s. 259 of the NERL the Commission has made this final rule determination in relation to the consolidated rule changes proposed by the Australian Government and the AEC.

The Commission's reasons for making this final rule determination are set out in Chapter 2.

A copy of the more preferable final rule is attached to and published with this final rule determination. Its key features are described in Chapter 2.

B.2 Power to make the rule

The Commission is satisfied that the more preferable final rule falls within the subject matter about which the Commission may make rules under the NEL. The more preferable final rule falls within s. 34 of the NEL, as it relates to facilitating and supporting the provision of services to retail customers (s. 34(1)(aa) of the NEL). Further, the more preferable final rule falls within the matters set out in Schedule 1 to the NEL as it relates to item 29 (of Schedule 1 to the NEL) because it relates to the regulation of persons providing metering services relating to the metering of electricity.

The Commission is satisfied that the more preferable final rule falls within the subject matter about which the Commission may make rules under the NERL. The more preferable final rule falls within s. 237 of the NERL as it relates to the provision of energy services to customers, and to the activities of persons involved in the sale and supply of energy to customers (s. 237(1)(a) of the NERL).

B.3 Commission's considerations

In assessing the rule change request, the Commission considered:

- its powers under the NEL and NERL to make the rule
- the rule change requests
- the fact that there is no relevant Ministerial Council on Energy (MCE) statement of policy principles for the rule change requests
- submissions received during first round consultation
- the Commission's analysis as to the ways in which the proposed rule will or is likely to, contribute to the NEO and NERO (respectively).

The Commission may only make a rule that has effect with respect to an adoptive jurisdiction if it is satisfied that the proposed rule is compatible with the proper performance of AEMO's

declared network functions.[324] The more preferable final rule is compatible with AEMO's declared network functions because it does not relate to the AEMO's declared network functions.

B.4 Civil penalties

The Commission cannot create new civil penalty provisions. However, it may recommend to the COAG Energy Council that new or existing provisions of the NER and the NERR be classified as civil penalty provisions.

The Commission's more preferable final rule amends:

- clauses 7.8.10(a) and 7.8.10(d), and clauses 11.86.7(d)(4), 11.86.7(g)(3) and 11.86.7(i) of the NER by clarifying the mandatory timeframes for repairs to be carried out for metering installation malfunctions. These clauses are currently classified as civil penalty provisions under Schedule 1 of the National Electricity (South Australia) Regulations and the Commission considers that these rules should continue to be retained as civil penalty provisions and therefore does not propose to recommend any change to their classification to the COAG Energy Council;
- subrule 59C(2) of the NERR, and subrule 124B(1) of the NERR (not commenced until 1 February 2019[325]), to clarify (respectively) that a retailer planned interruption notice is required where the retailer and a customer, or the retailer and a life support customer have not agreed a date (or date range, other than where a person residing at the premises requires life support equipment), for the interruption.[326] Subrule 59C(2) of the NERR is currently classified as a civil penalty provision under Schedule 1 of the National Energy Retail Regulations. The Commission considers that this subrule should continue to be retained as civil penalty provision, and therefore does not propose to recommend any change to its classification to the COAG Energy Council; and
- rule 90 of the NERR, and subrule 124B(2) of the NERR (not commenced until 1 February 2019[327]), to clarify (respectively) that a DNSP planned interruption notice is required where the DNSP and a customer, or the DNSP and a life support customer have not agreed a date (or date range, other than where a person residing at the premises requires life support equipment), for the interruption.[328] Rule 90 is currently classified as a civil penalty provision under Schedule 1 of the National Energy Retail Regulations. The Commission considers that this rule should continue to be retained as a civil penalty

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324 Section [91(8) of the NEL/ 295(4) of the NGL].

325 Per the National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017

326 See subrule 124B(1)(d) of the NERR to commence on 1 February 2019 pursuant to the Strengthening protections for customers requiring life support equipment rule 2017. A new subrule 124(1)(e) is also proposed under the final rule to require that when a retailer has obtained consent for a planned interruption in relation to premises of life support customers that they must give written notice to the customer of the expected time and duration of the interruption and specify a 24 hour phone number for enquiries.

327 Per the National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017

328 See subrule 124B(2)(a)(iv) of the NERR to commence on 1 February 2019 pursuant to the Strengthening protections for customers requiring life support equipment rule 2017. A new subrule 124B(2)(a)(v) is also proposed under the final rule to be added to require that when a DNSP has obtained consent for a planned interruption in relation to premises of life support customers that they must give written notice to the customer of the expected time and duration of the interruption and specify a 24 hour phone number for enquiries.

provision, and therefore does not propose to recommend any change to its classification to the COAG Energy Council.

The Commission has made a recommendation to the COAG Energy Council that subrules 124B(1) and 124B(2) (not commenced until 1 February 2019) be classified as civil penalty provisions pursuant to the National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017. The Commission remains of the view that these rules should be classified as civil penalty provisions, and therefore does not propose to recommend any change to the existing request made to the COAG Energy Council.

The new provisions in the Commission's more preferable final rule that the Commission is recommending to the COAG Energy Council, jointly with the AER, to be classified as civil penalty provisions are expressed in the more preferable final rule as clauses: 7.8.10 (aa); 7.8.10A(a) and (c); 7.8.10B(a) and (c); and 7.8.10C(a) and (c) of the NER as set out in the table below.

Table B.1: **Recommended civil penalty provisions proposed in the NER final rule**

NEW CLAUSE REFERENCE	RECOMMENDATION
New clauses that we recommend should be a civil penalty provision	
7.8.10(aa)	Classify as a civil penalty provision on the basis that it will act as an effective deterrent to non-compliance. This clause imposes maximum timeframes within which a metering coordinator must cause repairs of malfunctioning meters to be made, other than for type 1,2 or 3 meters.
7.8.10 (A)(a) and (c)	Classify as civil penalty provisions to promote compliance with the new obligation on retailers (subject to limited exceptions) to arrange a meter installation for new connections by a date agreed with the small customer or failing agreement within six business days of the retailer being informed that the connection service is complete (or, as applicable, from the date that the exception ceases to apply).
7.8.10(B)(a) and (c)	Classify as civil penalty provisions to promote compliance with the new obligation on retailers (subject to limited exceptions) to arrange a meter installation, where a connection service is not required, by a date agreed with the small customer or failing agreement within 15 business days from the date the retailer receives the customer request for the meter to be installed (or, as applicable, from the date that the exception ceases to apply).
7.8.10(C)(a) and (c)	Classify as civil penalty provisions to promote compliance with the new obligation: — on retailers (subject to limited exceptions) to arrange a meter installation, where a connection alteration is required, by a date agreed with the small customer (and DNSP where the DNSP is providing the connection alteration) or failing agreement within 15 business days from the date the retailer receives the customer request (or, as applicable, from the

NEW CLAUSE REFERENCE	RECOMMENDATION
	date that the exception ceases to apply); and — on DNSPs to co-ordinate a connection alteration with the retailer and relevant parties, in order to allow the retailer to comply with its obligations in the circumstances described above.

The Commission considers that the provisions as identified above should be classified as civil penalty provisions because they contain key consumer protections and with added enforceability should act as an effective deterrent against:

- delays in the time taken for metering coordinators to arrange the repair of malfunctioning meters; and
- meter installation delays experienced by small customers.

B.5 Conduct provisions

The Commission cannot create new conduct provisions. However, it may recommend to the COAG Energy Council that new or existing provisions of the NER and NERR be classified as conduct provisions.

The final rule does not amend any rules that are currently classified as conduct provisions under the NEL or National Electricity (South Australia) Regulations and NERL or the National Energy Retail Regulations. The Commission does not propose to recommend to the COAG Energy Council that any of the proposed amendments made by the final rule be classified as conduct provisions.