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## VICTORIAN ENERGY REGULATIONS – SMART METERS

BACKGROUND PAPER NO. 1

APRIL 2010

## **Overview**

Background Paper No 1 sets out all the obligations reviewed in the following regulatory instruments:

- Distribution and Retail Licences;
- Use of System Agreement;
- Electricity Customer Metering Code;
- Electricity Customer Transfer Code;
- Electricity Distribution Code; and
- Energy Retail Code;
- Code of Conduct for Marketing Retail Energy in Victoria

Those regulatory obligations which the Commission considers should be amended now or in the medium term are set out in Appendix A to the Issues Paper.

Interested parties are invited to comment on whether any of the remaining obligations set out in this Background Paper require further review.

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ALL OBLIGATIONS				
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**PART 1 - CONNECTION**

<b>1 Customer's application</b>	What customers must provide to be connected to supply	Obligations the same irrespective of smart meters		No change to the regulation
<b>2 Retailer's Obligation To Connect</b>	If a retailer has an obligation to connect, a retailer must connect as soon as practicable after the customer applies for connection. By no later than the next business day after the application is made or their energy contract commences to be effective (whichever occurs last), the retailer must make a request to the relevant distributor to connect the customer's supply address to the distributor's distribution system.	No implications because of smart meters. The obligation addresses the retailer's obligation to request the connection, not the actual connection.		No change to the regulation

**PART 2 - BILLS**

**ISSUING BILLS**

<b>3.1 Billing cycles</b>	A retailer must issue a bill to customers on a standing contract: (a) in the case of an electricity contract, at least every three months; (b) in the case of a gas contract, at least every two months; and (c) in the case of a dual fuel contract, at least as often as the retailer and the customer have agreed, with the customer's explicit informed consent . Billing cycles can be negotiated in market contracts, with explicit informed consent.	Key issue for review. Consider needs to be considered independently to the network monthly billing issue.	<b>OE</b> – considers there is a strong link between network monthly billing and customer monthly billing which may not be able to be resolved in a timely manner. Generally supports customers' monthly billing so they can access benefits <b>Allan Driver</b> – changes should be clearly communicated and enable consent (opt-in or opt-out?). Customers must be able to access date on a "30-minute basis for daily/weekly/monthly periods" Consideration given to in-home devices <b>SVDP</b> - there should be a minimum	<b>Refer discussion in section 3.2.</b>
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			<p>three months billing cycle for customers on dynamic pricing contracts. Furthermore, billing cycles longer than three months may increase the occurrence of payment difficulties due to the bill volatility customers on dynamic pricing contracts will be exposed to.</p> <p><b>EWOV</b> -negotiated payment plans are often based on fortnightly instalments, so a monthly billing cycle could make budgeting easier for some customers and encourage retailers to identify customers experiencing payment difficulties earlier</p> <p><b>Red Energy</b> - the requirement for EIC should be removed for market and standing offers. Debt cycle obligations need review in line with the shorter bill cycle.</p> <p><b>Simply Energy</b> - ;inked with network monthly billing and whether customers can be moved to monthly billing without explicit informed consent</p> <p><b>CUAC</b> – any changes to billing cycles should consider the consent requirements, implications for collection cycles and hardship provisions</p>	
<b>3.2 Bulk Hot Water Charging</b>	Billing and charging obligations for bulk hot water	No smart meter issues		No change proposed

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CONTENTS OF A BILL				
<b>4.2 Information on a bill</b>	Information which must be on the bill, including' (c) the period covered by the bill;  (d) the relevant tariff or tariffs	This clause, including all sub-clauses, is a key issue for the review	D Foskey – customers or authorised agents should be able to download info from RB/DB websites, including tariffs, consumption and overall price. <b>Allan Driver</b> – information should be provided on the internet <b>CUAC</b> – consider what and how information should be provided on the bill <b>SCO</b> - proposes that retailers provide customers on time related tariffs with consumption data for each tariff segment	<b>Refer discussion in section 3.2</b>
	(e) whether the bill is based on a meter reading or is wholly an estimated bill;		<b>Simply Energy</b> - consider how substitutions are dealt with, particularly as networks obligation to deliver daily reads does not commence until 1.1.2012. <b>Red Energy</b> - consider when bills should be described as estimates, including materiality thresholds. <b>CUAC</b> – review appropriateness of existing regulation <b>SCO</b> – says that meter data lost for DPP events should not base bills on substitutions – they should be based on non-DPP events. Customers should be informed of the scope for estimations on their bills.	<b>Refer discussion in section 3.2</b>
	(f) whether the bill is based on any substituted data	Paragraph (f) references the metering code. These matters have been removed	<b>Simply Energy</b> - how substitutions impact customers' bills must be	<b>Refer discussion in section 3.2</b> Additionally It is proposed to remove

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		from the metering code since the metering code was amended to align it with the national metrology requirements.	considered.	the references to the metering code so that (f) reads; whether the bill is based on any substituted data prepared in accordance with the relevant substitution procedure in the <b><i>applicable regulatory instruments</i></b> .
	(g) the total amount of electricity (in kWh) consumed in each period or class of period in respect of which a relevant tariff applies to the customer and, if a customer's meter measures and records consumption data only on an accumulation basis, the dates and total amounts of the immediately previous and current meter readings, estimates or substitutes;		<b>EWOV</b> - customers currently can take their own meter reading and compare it to the information on the bill. Customers with interval meters complain that their bills only show a total usage figure. EWOV thinks the suggestion that customers can verify their usage by adding up all usage on their bills and comparing this to their meter is onerous. Other options should be explored, eg the inclusion of an index read once every twelve months and that retailers could provide a summary of interval data on bills . <b>Red Energy</b> - few customers require access to interval data to reconcile their bills. This should be an optional requirement to ensure that retailers are not forced to provide the same for all because this will simply increase costs to all customers for a service that may only be requested by a few. Retailers should be allowed to	<b>Refer discussion in section 3.2</b>

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			charge for administration costs associated with the provision of data <b>OE</b> - Recognises that this is an important issue to consumers, and may potentially drive increases in complaints and Ombudsman queries. Need a practical means of providing for the spirit of the reconciliation requirement with the new technology and tariff structures.	
	(h) if the retailer elects to include meter readings or accumulated energy usage from an interval meter on the bill, the meter readings or accumulated energy usage based on quantities read or collected from the corresponding meter accumulation register(s);  (i) if the retailer directly passes through a network charge to the customer, the separate amount of the network charge;		.	
	(n) if the customer is a domestic customer, details of the availability of concessions;		<b>SVDP</b> - this could include 'relevant consumer information tools' as the regulator can more easily require retailers to include references on their bills to important consumer information tools funded by the government. An example is an AER website containing important consumer information about tariffs and energy offers deemed important to increase consumer	Possibly a confusion of policy aims. The reference to concessions, etc is to assist customers in financial difficulty. SVDP reference to 'relevant consumer information tools' is presumably to address the information gaps for all consumers, and to assist them to access competition (for example, the ESC's YourChoice website). <b>Refer discussion in section 3.2 on assistance to customers in shopping</b>

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			awareness in a deregulated retail market.	around in the competitive market
<b>4.3 Bundled charges</b>	The requirement for retailers to provide customers with reasonable information on network charges, retail charges and any other charges relating to the sale or supply of energy comprised in the amount payable under the customer's bill. This information only has to be provided on request.	<b>Key Issue for review</b>	<b>Allan Driver</b> – separate out relevant charges: Supply charge – monthly if necessary Meter charge Network charge Electricity usage per kWh <b>SVDP</b> - SMI project/rollout costs should be a line item on customers' electricity bills <b>VECCC</b> - Review should consider how information on the bill could be improved to give customers more information on their charges <b>CUAC</b> – review should consider whether fixed costs should be delineated as line items	<b>Refer discussion in section 3.2</b>
<b>4.4 Graphs</b>	Information to be included on graphs, including consumption information for each billing period for last 12 months and comparison with same period of the current bill.	<b>Key Issue for review</b>		<b>Refer discussion in section 3.2</b>
<b>BASIS OF A BILL</b>				
<b>5.1 Bills based on meter readings</b>	Bills must be based on meter readings unless a customer gives explicit informed consent; and, in any event, retailers must use their best endeavours to ensure the customer's meter is read at least once in any 12 months.	The meter reading requirements for all meters are now largely regulated by the national metrology requirements and retailers do not have direct influence over this process except to ensure customers provide access for manual reading. For smart meters physical access, while	<b>CUAC</b> – needs to be reviewed for relevance in the operation of smart meters	<b>Refer discussion in 3.2.2.</b> The Commission also proposes the following amendment to this clause; in any event, use its <b>best endeavours</b> to ensure that the <b>customer's</b> bill is based on a reading of the <b>customer's meter</b> at least once in any 12 months



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		still will need to be provided, is not an issue to ensure routine meter reading and the expectation is that all bills will be based on data frequently collected from the meter.		and if the <i>customer's meter</i> is a <i>smart meter</i> use its <i>best endeavours</i> to ensure that every <i>customer's</i> bill is based on a reading of the <i>customer's meter</i> .
5.2 Estimations	Methodology for estimated bills	<p>This section is concerned with how the estimation is made not whether the bill is an estimated bill or not and may be impacted by smart meters</p> <p>The requirement for the estimation continues to reflect the previous position whereby the Victorian regulation set out how first tier customer's data was collected and the national electricity market regulation set out the arrangement for second tier customers.</p> <p>The meter reading requirements for first and second tier customers are now covered by the national instruments which set out how all data is to be validated, and where necessary, substituted and estimated. These requirements are set out in the "Metrology Procedure: Part B National Electricity Market", that is available on the AEMO website.</p> <p>The Commission agrees that the current estimation and substitution methodologies, that are AEMO's responsibility in a NEM context, may need to be revised for small customers with smart meters.</p>	<p><b>SVDP</b> - the remote read functionality delivers one of the most significant customer service improvements associated with SMI as it removes the need for estimates and associated problems with under and over charging. It is therefore essential that the practice of issuing bills based on estimates be abolished in a SMI environment.</p> <p><b>Red Energy</b> - consideration should be given to the current definitions of when a bill should be described as an estimate and the materiality thresholds for when it must be re-billed. Interval data ensures that the value of estimation within each bill is now known and the value of the bill which is not estimated can be identified. The current obligation on retailers is to ensure a minimum of one actual read per year. With remote reads under AMI we believe this obligation – or at least the costs associated with a site visit should communications fail – should reside with the DB.</p> <p><b>OE</b> - given that the meter will be</p>	<p>Refer to discussion in 3.2. As well, a technical amendment to this clause is proposed;</p> <p>(a) Despite clause 5.1, if a <i>retailer</i> is not able to reasonably or reliably base a bill on a reading of the <i>meter</i> at a <i>customer's supply address</i>, the <i>retailer</i> may provide the <i>customer</i> with an estimated bill prepared in accordance with the relevant estimation procedure in the <i>applicable regulatory instruments</i>.</p> <p>(b) Despite clause 5.1, if in the context of an electricity <i>customer transferring</i> from one <i>retailer</i> to another <i>retailer applicable regulatory instruments</i> permit an estimate of consumption rather than a <i>meter</i> reading, the <i>retailer</i> may provide the <i>customer</i> with an estimated bill prepared in accordance with the relevant estimation procedure in the <i>applicable regulatory instruments</i>.</p>

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			<p>read remotely on the half-hour, the notion of a bill being 'estimated' because a person could not physically read the meter every three months - as is currently the case for estimated reads - will no longer be valid.</p> <p>Under some circumstances estimated data will be required.</p> <p>Our preliminary views are that this would be less than 10% of the time, maybe more in the vicinity of 1-2%. This issue needs to be addressed and better understood through the review. The current Metrology Procedures for estimation and substitution of small customer data may need to be reviewed in conjunction with the roll-out of interval meters.</p>	

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<b>5.3 Bill Smoothing</b>	Methodology for determining bill smoothing arrangements and for reconciling bills	Issue for review	<b>SVDP</b> - As SMI provides retailers with daily meter reads, retailers should be required to assess the amount of energy a customer on a bill smoothing contract consumes every three months (rather than the six month requirement proposed for customers not connected to SMI).	<b>Views are sought on whether the reconciliation requirements for bill smoothing should be changed to 3 months for those customers with smart meters.</b>
<b>5.4 Adjustments</b>	Obligations for adjusting bills in circumstances where customers have had estimated bills	Issue for review		No change is proposed
<b>5.5 Unsuccessful attempt to read meters</b>	Requirements on customers who have requested actual meter reads after estimated bills, which were their responsibility	Under smart metering an act of the customer that prevents access will not be able to prevent a meter reading. Hence the clause will not apply to smart metered situations and no change is necessary for this clause. It will continue to apply to manually read meters.	<b>CUAC</b> – needs to be reviewed for relevance	No change to the regulation
<b>5.7 Proportionate billing</b>	Requirements on retailers with respect to tariff changes during billing period, or where bill covers a period other than the <b>customer's usual billing cycle.</b>	Obligations the same irrespective of smart meters		No change to the regulation
<b>ADJUSTMENT OF THE BILL</b>				
<b>6.1 Review of the bill</b>	Obligations on retailers and customers when the customer requests a review of the bill.	Should obligations be the same irrespective of smart meters?	<b>SVDP</b> - SMI enabled dynamic pricing contracts will make customers' bills more complex and thus more difficult to understand. It is therefore crucial that processes are in place to allow customers to query and review bills in a transparent, affordable, accurate and efficient manner.	<b>Refer discussion in section 3.2</b>
<b>6.2</b>	Obligations on retailers, and monies to be	Outcomes the same irrespective of	<b>SDVP</b> – under smart meters a	The current regulation, which in

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<b>Undercharging</b>	recovered from the customer, if the retailer has undercharged or not charged a customer	smart meters, but drafting may be required to take account of smart meters	retailer cannot recover undercharged amounts for longer than 3 months prior to notifying the customer. SMI will provide retailers with daily reads of every customer's consumption and retailers should therefore be significantly better equipped to avoid undercharging scenarios.	Victoria which only allows 9 months recovery, is already a substantive intervention in the market. Commission does not consider it necessary to review this regulation at this time.
<b>6.3 Overcharging</b>	Obligations on retailers to repay overcharged amounts	Obligations the same irrespective of smart meters		No change to the regulation
<b>PAYMENT OF THE BILL</b>				
<b>7.1-7.5 Payment of bills</b>	Time for customers to pay, unless negotiated differently in a market contract/ Ways in which customers can pay their bills/Payment in advance/Fees and Charges for Credit Card and Dishonoured Cheque payments	Obligations the same irrespective of smart meters	<b>OE &amp; SE</b> – link with 3.1 (billing cycles) <b>SVDP</b> – customers should have a minimum of 12 business days to pay a bill upon receiving it, particularly low income and pensioners.	Regulation only needs to be reviewed if the billing cycle is changed to monthly. <b>Refer to discussion in section 3.2</b>
<b>7.6 Vacating a supply address</b>	Obligations on customers for vacated premises	Review in light of remote disconnection & reconnection functionality	<b>SVDP</b> - a SRC terminates on the earliest 1 business day commencing upon receipt by the retailer of a termination notice (even if the customer has vacated the premises earlier) The obligation of SRC customers vacating their premises to continue to pay for energy consumed at the premises (as well as the fixed charge) for a minimum of 5 business days after giving the retailer notice is unjustified in an SMI environment where retailers can order a special read.	This clause is considered quite fair in relation to customer payment. Stakeholder views are sought as to whether changes are required because of the review of smart meters.

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<b>PART 3 - CREDIT MANAGEMENT</b>				
<b>REFUNDABLE ADVANCES</b>				
<b>8.1 – 8.3 Refundable advances – domestic &amp; business customers</b>	Criteria against retailers may impose refundable advances on domestic and business customers, and how refundable advances may be used	Obligations the same irrespective of smart meters		No change to the regulation
<b>SHORTERED COLLECTION CYCLES</b>				
<b>9.1 Retailer's right to apply</b>	Criteria for imposing and steps that must be taken before shortened collection cycles are imposed	Obligations the same irrespective of smart meters		No change to the regulation
<b>9.2 Notice</b>	Notice which must be given if shortened collection cycle applied	Obligations the same irrespective of smart meters		No change to the regulation
<b>SHORTER BILLING CYCLE</b>				
<b>10.1 Customer's right to negotiate</b>	Conditions which must apply for a shorter billing cycle to be negotiated, including right of retailer to charge for different billing cycle being available	Obligations the same irrespective of smart meters		No change to the regulation
<b>PAYMENT DIFFICULTIES</b>				
<b>11.1 – 11.4 Assistance to customers with payment difficulties</b>	Obligations on customers and retailers if customers experiencing payment difficulties. Obligations on retailers to assess capacity to pay and provide information and assistance. Requirements for debt collection	Obligations the same irrespective of smart meters The Wrongful Disconnection Payment Review highlighted some ambiguity in drafting clause this clause. This will be reviewed separately.	OE – understands why this issue is of concern to customers, but cannot see what more retailers can do to assist customers.	<b>No change to the regulation because of smart meters Commission is undertaking a review of retailers' financial hardship policy implementation and the matter will be reviewed in that context. Refer to discussion in section 3.1.</b>
<b>INSTALMENT PLANS</b>				
<b>12.1 – 12.3 Options for customers and review</b>	Setting out when customers may be eligible for instalment plans and requirements for retailers to review and adjust	Obligations the same irrespective of smart meters		No change to the regulation

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PART 4 - DISCONNECTION				
GROUNDS FOR DISCONNECTION				
<b>13.1 Non-payment of bill</b>	Procedures prior to retailers disconnecting customers	<b>Key issue for review</b>	<p><b>SE</b> – ESV is undertaking a review of safety issues arising from remote disconnection/reconnection. Review should not duplicate.</p> <p><b>OE</b> – link with ESV safety review. Note that remote disconnection/reconnections should add benefits for customers</p> <p><b>Allan Driver</b> – additional information should be provided to customers</p> <p><b>SVDP</b> –that a retailer must make two notification attempts during the 24 hour period prior to requesting the distributor to remotely disconnect the customer’s premises. Remote disconnections make the process more expedient and impersonal, and thus create a health and safety risk to customers.</p> <p><b>EWOV</b> - the existing notification requirements should be retained and customers are made aware of the possibility of remote disconnection n all disconnection warning notices.</p>	<b>No change to the regulations generally, but refer to discussion in section 3.3 regarding further information to customers who are to be disconnected remotely</b>
<b>13.2 Customers without sufficient income</b>	Additional obligations on retailers prior to disconnecting customers who are known to have financial difficulties	<b>Key issue for review</b>		<b>Refer to discussion in section 3.3 on whether there should be additional steps for customers prior to remote disconnection</b>
<b>13.3 Denying</b>	Obligations which apply when customer’s	Clause 13.3 could be clarified that this		<b>Minor drafting amendment</b>

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<b>access to meter</b>	meter is not accessible for reading	applies to manually read meters and to ensure that it is clear that access does not imply the customer providing or not electronic access to the meter.		<b>proposed:</b> Propose the following amendment; <i>A retailer</i> may disconnect a <i>customer</i> other than a <i>customer</i> with a <i>smart meter</i> if, due to acts or omissions on the part of the <i>customer</i> , the <i>customer's meter</i> is not accessible for the purpose of a reading for three consecutive bills in the <i>customer's billing cycle</i> but only if:
<b>13.4 Refusal to provide identification or refundable advance</b>	Retailer's right to disconnect if customer does not provide acceptable identification or refundable advance	Obligations should be the same irrespective of smart meters		No change to the regulation
<b>13.5 Customer's right to request disconnection</b>	Right of customers to request disconnection & settlement of final bill	Obligations should be the same irrespective of smart meters		No change to the regulation
<b>NO DISCONNECTION</b>				
<b>14 No disconnection</b>	Circumstances and time frames when retailers cannot disconnect	Consider in context of remote disconnections		No change proposed, however we note that the times associated with disconnection and reconnection could be subject to new prompt disconnection and reconnection services being available that utilise the smart meter. <b>Refer to discussion in section 3.3.</b>
<b>RECONNECTION</b>				
<b>15.1 – 15.2 Customer's</b>	Circumstances and timing for customer's reconnection	Issue for review		As for 14 above

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right to reconnection				
<b>PART 5 - LIABILITY</b>				
<b>16 No limitation on liability</b>	Obligations on retailers not to limit the liability of the retailer to the customer	Obligations the same irrespective of smart meters		No change to the regulation
<b>17 Indemnity</b>	Limitations on retailer's right to claim compensation from customers for a customer's breach or negligence	Obligations the same irrespective of smart meters		No change to the regulation
<b>18 Force Majeure</b>	Procedures in a force majeure event, including notification	Obligations the same irrespective of smart meters?		No change to the regulation
<b>PART 6 - MARKET CONTRACTS AND VARIATION</b>				
<b>19.1 Creation of a new market contract</b>	Procedures applying to customers entering market contracts	Obligations the same irrespective of smart meters		No change to the regulation
<b>20 Variations requiring customer's agreement</b>	How variations to tariff and other terms and conditions can be effected	<b>Key issue for review</b>	<b>Simply Energy</b> - when network tariffs are changed, retailers must be able to move customers to a corresponding retail tariff without impediment <b>VCOS</b> – maintain current requirements for notification and informed consent to any tariff variations	<b>Refer to discussion in section 3.2</b>
<b>21 Gazette based variations</b>	How variations to standing offers take effect	<b>Key issue for review</b>	<b>SDVP</b> - It is necessary to identify a new approach to standardising the standing offer tariff shape. Tariff shape is separate from price setting and contract terms and conditions. A standardised shape is essential to ensure that the standing offer is the basic, standard, comparable offer as intended.	<b>Linked with above – refer to discussion in section 3.2</b> SDVP raises an issue of what standing offer tariffs retailers are required to offer. This is a statutory issue and is not addressed in this review.



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PART 7 – TERM AND TERMINATION				
<b>22.1 – 24.6 Term, termination and expiry of contracts</b>	Sets out when contracts take effect, how they can be terminated, procedures applying if a customer breaches the contract and termination in a retailer of last resort event	Issue for review	<p><b>SDVP</b> - a market contract should have no effect to the extent that it requires a customer to give more than 12 business days notice to terminate the contract. Remotely read meters will make the transfer process more efficient and the termination notice requirement should therefore reflect:</p> <ul style="list-style-type: none"> <li>- The notice requirement on retailers to inform customers about a tariff/price change.</li> <li>- The cooling-off period.</li> </ul> <p>The 10 day cooling off period should not commence until the customer has received the contract and that customers should be given a prescribed form explaining their cooling off rights before the cooling off period starts.</p>	<p><b>Customer's termination notification</b> Customers are currently required to give 28 days notice if they wish to terminate a contract. Under smart meters, customers' meters can be read more quickly, enabling a quicker transfer if necessary, but there are other processes which impact on the timing of transfers.</p> <p><b>Comments are sought on whether the notification time should be reduced and why.</b></p> <p><b>Cooling-off period</b> It is agreed that attention should be given to marketing conduct in a TOU environment, at least for the first 2-3 years (<b>refer to some discussion in section 3.2</b>). However, the proposal by SDVP is externally-driven and impossible to enforce (eg postage late, customer says didn't receive, etc). The obligation must be on the retailer to demonstrate that the material was given to a customer within 2 business days, and the cooling-off commences from that date (see clause 3.5 of Marketing Code).</p> <p><b>No change to the regulation is proposed.</b></p>
PART 8 - GENERAL				
<b>25 Access to supply address</b>	Circumstances under which customer's must allow access to supply address	Despite access not being necessary for routine reading, customers must	<b>CUAC</b> – needs to be reviewed for relevance	No change is required to this clause

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		continue to provide access to the address, the meter and the meter box.		
PROVISION OF INFORMATION				
<b>26.2 Charter</b>	Circumstances in which retailer must provide a customer charter and information to be provided	Issue for review	<b>FCRC</b> – retailers should have to provide info on smart meters, their billing requirements and how customers will be impacted	<b>Check charter requirements</b>
<b>26.4 Advice on available tariffs</b>	Information which must be provided to customer on available tariffs and notification of tariff variations	<b>Key issue for review</b>	<b>SVDP</b> - retailers should be required to notify their customers about any tariff/price change before it takes effect. Moreover, the notification period for tariff variation should reflect the notification period customers are required to provide retailers in order to terminate a contract. Arrangements must be in place to ensure that the customer is notified of any tariff change (resulting from network re-assignment or retail tariff change) in advance. <b>CUAC</b> – should be reviewed to as only requires customers to be notified of tariff changes no later than next bill	<b>Refer to discussion in section 3.2</b>
	Maintenance of life support register and information from retailer to distributor	Key issue for review, particularly in light of remote disconnection/connection functionality	<b>SVDP</b> - That the relevant definitions are amended to broaden the definition of households with life support equipment to households with special needs (due to health and medical conditions).	The Commission considered this matter at length in the Review of Distribution Communications in Widespread Supply Events and made changes to the regulations to provide greater protections to persons with special needs. No further changes to the regulation proposed

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HISTORICAL BILLING INFORMATION				
<b>27.1 Records</b>	Obligations on retailers to keep records	Obligations the same irrespective of smart meters		No change to the regulation
<b>27.2 Historical billing data</b>	Information to be provided to the customer and charges which may be imposed	<b>Key issue for review</b>	<p><b>EWOV</b> - supports SCO proposal that customers should have a choice between a full set of billing data and a summary of the data (including relevant metering data) on which the bill was based in a form that is easy to understand.</p> <p><b>VECCI</b> - customers should be able to request, and access, smart meter information related to consumption on their own premises.</p> <p><b>CUAC</b> – customers need to understand how data is provided. Concerns about access, privacy and security</p> <p><b>VCOSS</b> – review for privacy concerns</p> <p><b>SCO</b> – retailers must be able to provide to customers the full set of metering data and a summary of metering data – customers can choose options</p>	<b>Refer to discussion in section 3.2</b>
COMPLAINTS HANDLING				
<b>28.1 – 28.3 Complaint handling &amp; referral to EWOV</b>	Procedures to be followed by retailers in handling complaints and information to be provided on rights to take matters to EWOV	Obligations the same irrespective of smart meters		No change to the regulation
ILLEGAL CONSUMPTION				
<b>29 Illegal</b>	Retailers’ rights in situations where illegal	Obligations the same irrespective of		No change to the regulation

<b>ENERGY RETAIL CODE</b>				
<b>ALL OBLIGATIONS</b>				
<b>Clause</b>	<b>Summary of Obligation</b>	<b>Issue for operation of smart meters</b>	<b>Other information/submissions</b>	<b>ESC preliminary view</b>
<b>consumption</b>	consumption is found	smart meters		
<b>ADDITIONAL RETAIL CHARGES</b>				
<b>30 Additional Retail Charges</b>	Circumstances in which retailers may impose additional charges and how they must be disclosed	Obligations the same irrespective of smart meters		No change to the regulation
<b>AGREED DAMAGES TERM</b>				
<b>31 Agreed Damages Term</b>	Retailers' rights to impose certain fees for damages, how they must be disclosed, and the criteria for determining early termination fees	Obligations the same irrespective of smart meters		No change to the regulation
<b>NOTICES</b>				
<b>32 Notices</b>	Criteria to be followed to ensure notices received by customers	Obligations the same irrespective of smart meters		No change to the regulations

<b>ELECTRICITY DISTRIBUTION CODE</b>				
<b>ALL OBLIGATIONS</b>				
<b>Clause</b>	<b>Summary of Obligation</b>	<b>Issue for operation of smart meters</b>	<b>Other information/submissions</b>	<b>ESC preliminary view</b>

1	Application, purpose, compliance tenants obligations and amendment	No issues for smart meters		No change to this clause is proposed
2 Connection of Supply 2.1 and 2.2	Installation of metering equipment and that new connections to be made with 10 business days	No issues		No changes proposed
2.3 No energisation	Which parties may request the distributor to energise a customer's supply address. Primarily the customer's retailer requests energisation	No issues		No changes proposed
2.4 Connection without energisation	That a distributor must connect but not energise a customer supply within 20 business days	No issues		No change proposed
2.5 Previous connection	That the distributors must use best endeavours to energise a customer's supply within one business day	Energisation by smart meter may be new service that can be carried out is less than one day.	The NECF and National Energy retail Law is considering how the terms connection and energisation etc will be applied taking into account smart meters.	<b>Refer discussion in section 3.3</b>
2.6 Conditions for connection	Information etc that must be supplied prior to the connection being effected	No smart meter issues		No change proposed
3.1 Asset Management	Concerned with good asset management and Melbourne CBD security of supply	No smart meter issues		No change to this clause is proposed
3.2 Customer's electrical installation	That customers must comply with the code ensure that their equipment does not impact quality, is safe and not used fraudulently	No smart meter issues		No change to this clause proposed
3.3 Distributors	That customers must not interfere	These access arrangements are		No change is proposed

<b>ELECTRICITY DISTRIBUTION CODE</b>				
<b>ALL OBLIGATIONS</b>				
<b>Clause</b>	<b>Summary of Obligation</b>	<b>Issue for operation of smart meters</b>	<b>Other information/submissions</b>	<b>ESC preliminary view</b>

equipment on customers premises	with distributor's equipment and provide access to the distributor at all times. Also requires the distributor to access the customers premises at a time that is convenient to both the customer and the distributor	sufficient to allow distributors to implement the smart metering program		
3.4 and 3.5 Planning reports	That transmission and distribution businesses must develop certain planning reports	No smart meter issues		No change proposed
4 Quality of Supply	Obligations on distributors regarding quality of supply	No smart meter issues		No change proposed
5 Reliability of Supply 5.3 A distributor's right to interrupt supply	Obligations on distributors regarding reliability of supply to customers. Sets out that a distributor may interrupt the supply for planned maintenance.	The installation of smart meters requires supply to be interrupted for a short period. This clause facilitates that planned outage. No change is required to clause 5.3 for smart meters		No change proposed
5.5 Planned interruptions	Clause 5.5 sets out the notice the distributor must provide under a planned outage information requirements	The Commission's considers that the notice of installation of a smart meter meets this requirement for notice of an interruption during the installation phase		No change proposed
6 Guaranteed Service Levels	Obligations on distributors to make payments to customers when specified reliability levels are not met	No issues for smart meters		No change proposed
7 Embedded generators	Arrangements for the connection of and obligations on embedded generators	No smart meter issues		No change proposed

<b>ELECTRICITY DISTRIBUTION CODE</b>				
<b>ALL OBLIGATIONS</b>				
<b>Clause</b>	<b>Summary of Obligation</b>	<b>Issue for operation of smart meters</b>	<b>Other information/submissions</b>	<b>ESC preliminary view</b>

8 Emergency response plans	That distributors must have and test emergency response plans	No smart meter issues		No change proposed
9 Provision of information Clause 9.1.13	When disconnecting supply the distributor must leave information at the site about reconnection including a list of retailers	Under remote deenergisation the site will not be visited hence it is unclear how this information currently provided under clause 9.1.13 would be provided under remote reenergisation.		<b>Refer to discussion in section 3.3.</b>
Clause 9.1.14 9 Provision of information	This clause sets out the advice that the distributor must give the customers when a smart meter is to be installed.	This clause was especially inserted so that customers would know when a smart meter was to be installed under the rollout		<b>Clause 9.1.14 has been operational for a few months and this review is an opportunity in the light of experience to review this clause. The Commission seeks views on the operation of clause 9.1.14.</b>
10 Complaints and Dispute resolution 11 Non compliance with the code	How dispute are to be handled and actions for breach of the code by distributors or customers	No smart meter issues		No changes proposed
12 Disconnection of Supply	Sets out the conditions under which the distributor may and may not disconnect the customer, including at a retailer's request and at the customer's request	While the issues of disconnection and/or deenergisation by fuse pull or the meter is an issue for smart meters it is likely most of the conditions associated with disconnection will not be impacted.		<b>Refer to discussion in 3.3</b>
13 Reconnection	Sets out the conditions under which the distributor must reconnect a customer	Related to 12 above some clarification or changes may be required		<b>Refer to discussion in 3.3</b>
14, 15, 16, 17,	Compliance with metering code,	No smart meter issues however		<b>Subject to the resolution of other</b>

<b>ELECTRICITY DISTRIBUTION CODE</b>				
<b>ALL OBLIGATIONS</b>				
<b>Clause</b>	<b>Summary of Obligation</b>	<b>Issue for operation of smart meters</b>	<b>Other information/submissions</b>	<b>ESC preliminary view</b>

18 and 19	additional charges Liability, indemnity, force majeure and definitions	subject to the resolution of other matters a definition of smart meter based connection and/or disconnection may be required in clause 19.		<b>matters a definition of smart meter based connection and/or disconnection may be required.</b>
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<b>ELECTRICITY METERING CODE</b>				
<b>ALL OBLIGATIONS</b>				
<b>Clause</b>	<b>Summary of Obligation</b>	<b>Issue for operation of smart meters</b>	<b>Other information/submissions</b>	<b>ESC preliminary view</b>

1	Introductory matters, application and amending the code	There is no issue for the operation of smart meters		No change to this clause is proposed
2.1	The clause requires customers to provide convenient and unhindered access to the metering equipment to the distributors, its authorised representatives and other relevant parties.	The smart metering installation program will require access so that each meter can be changed over. This access is that same as that required to basic meters. The obligation on customers to provide access to meters is generic and not dependent on the type of meter. The obligation is sufficient for the smart metering program		No change to this clause is proposed.
2.2	Sets out that customers do not have an ownership interest in meters, that customers must not tamper with metering equipment and that any equipment left on site does not become the property of the customer.	The clause continues to apply to smart meters in that customers do not have an ownership interest in the meters; the meters are to be owned initially by distributors. The non-tamper obligation also is to apply and importantly the obligation applies to all equipment associated with the meter. The clause is generic and meets the requirement for smart metering.		No change to this clause is proposed.
2.3	The customer is required to provide a fireproof housing for new metering equipment to the distributor's satisfaction.	Sets out that it is the customer's obligation to provide the meter box; this obligation does not change for smart meters	The detailed requirements for the meter box are set out in the Victorian Service and Operations Rules that are applied by the customer's electrician.	No change is proposed to this clause.

ELECTRICITY METERING CODE				
ALL OBLIGATIONS				
Clause	Summary of Obligation	Issue for operation of smart meters	Other information/submissions	ESC preliminary view
2.4	Allows the customer to request an “impulse output” from the meter and that the customer must pay for the provision of such facilities.	<p>Prior to smart metering such an impulse output would have been the only way customers, particularly large customers, could obtain detailed metering data to assist in monitoring its consumption.</p> <p>Under smart metering more methods of obtaining detailed data from the meter are possible, these include information passed directly to a display device in the premises or a web based provision of data that is available to the customer each day after the meter is remotely read.</p> <p>The Commission’s understanding is that the Victorian smart metering specification does not include the mandatory provision of pulse outputs.</p>		<p>The Commission proposes that clause 2.4(a) be varied to read;</p> <p>“(a) A <b>customer</b>, other than a <b>customer</b> with <b>smart metering</b>, may request a <b>distributor</b>, a <b>retailer</b> or a <b>responsible person</b> (as the case may be) to provide it with impulse outputs representing the quantities of electricity measured.”</p> <p>Smart meter would be defined as; “A <b>metering installation</b> installed at a <b>customer’s</b> premises where the annual electricity consumption is 160 MWh or less that meets the requirements of Division 6A (“advanced metering infrastructure”) and relevant Orders under Division 6A of the Electricity Industry Act (2000).”</p>
2.5	That a customer may install check metering	There is no issue for the operation of smart meters		No change proposed
2.6	Requires information to be left with the customer showing how the meter can be read by the customer from the accessible display. Currently this clause only applies to type 5 meters (interval meters that are manually read)	Smart meters can display more information than accumulation meters and it is important that customers are able to read the meter display.	The MCE SCO smart meter customer protection paper sets out a draft policy position that “all customers with smart meters should be able to check that their meter is working correctly, and reconcile their bills against their	The requirement that information about accessing the meter display be provided should be now extended to include smart meters. Due to the major change-over program the Commission considers that this requirement should be

ELECTRICITY METERING CODE				
ALL OBLIGATIONS				
Clause	Summary of Obligation	Issue for operation of smart meters	Other information/submissions	ESC preliminary view

			meter with a reasonable degree of certainty”	extended to include the provision of this information at a customer’s request. Proposed drafting: “A <b>distributor, retailer</b> or <b>responsible person</b> must provide sufficient written information to the <b>customer</b> so that the <b>customer</b> can access, at a minimum, the cumulative total <b>energy</b> measured by an <b>interval meter</b> or <b>smart meter</b> at the <b>customer’s</b> premises when; <ul style="list-style-type: none"> <li>the <b>meter</b> is installed at a <b>customer’s</b> premises, and</li> <li>requested by the <b>customer.</b>”</li> </ul>
3 Changing tariffs	Requires the distributor or retailer who requires a different meter or the meter to be operated differently, or request a new tariff to seek the agreement of the distributor or retailer	It is unlikely that such a new tariff would require a smart meter to be changed or operated differently.		In principle the requirement for such agreement should be retained. No change is proposed.
4 Seals	Notification requirements regarding broken seals	No issue for the operation of smart meters		No change is proposed
5 Meter testing	The obligation and the costs of meter testing	No issue for the operation of smart meters		No change is proposed
6 Installation	The clause is concerned with the cost of installing different meters	Prior to smart metering, the clause has assumed that customers may request only higher cost metering. Under smart metering the clause		The Commission proposes that a new paragraph (aa) be inserted at the beginning of the clause; “This clause 6.1 is subject to the

ELECTRICITY METERING CODE				
ALL OBLIGATIONS				
Clause	Summary of Obligation	Issue for operation of smart meters	Other information/submissions	ESC preliminary view
		<p>could be interpreted as allowing customers to request a reversion to basic metering.</p> <p>The clause must continue to operate for &gt;160 MWh customers with type 4 metering who may wish to request higher standard metering.</p> <p>The clause must recognise that smart meters are to become the minimum standard for small customers and that this standard is established currently by Victorian law rather than the NER or metrology procedures. Currently the NER and metrology procedures do not specifically include smart meters.</p>		<p>minimum standard of <b>metering equipment</b> being <b>smart metering</b> following the initial installation of <b>smart metering at a customer's premises.</b>"</p> <p>Additionally, this clause should apply to all customers, not just first tier customers as it currently sets out.</p>
6.2	Concerned with the cost of new interval metering equipment for the embedded network operator being the cost of the embedded network operator.	In many cases this metering will be smart metering and hence new costs will not arise		No change proposed
7.1 Access to data	Sets out rights of the customer to access data electronically directly from the meter at the customer's cost	This clause was previously designed to allow large customers with electronic metering direct access to the meter data and did not contemplate smart meters. As noted above smart meters provide more methods of obtaining		It is proposed that paragraph (a) be varied as follows; <b>"A distributor, a retailer or a responsible person</b> (as the case may be) must, on written request from a <b>customer</b> , other than a <b>customer with a smart meter,</b>

ELECTRICITY METERING CODE				
ALL OBLIGATIONS				
Clause	Summary of Obligation	Issue for operation of smart meters	Other information/submissions	ESC preliminary view

		detailed data from the meter, including information passed directly to a display device in the premises or a web based provision of data that is available to the customer each day after the meter is remotely read. The Commission's understanding is that it is intended customers use these methods rather than direct electronic access to obtain data.		provide facilities to enable the <b>customer</b> to electronically access data stored in <b>metering equipment</b> provided by the <b>distributor</b> , the <b>retailer</b> or the <b>responsible person</b> ."
7.2 Confidentiality	Sets out that metering data is confidential and disclosure requirements	Same confidentiality requirements apply to data from smart meters.		No change proposed
7.3 Data ownership	Sets out the parties including the customer who own the data	Same ownership arraignments apply		No change proposed
8 Collection of metering data	Sets out that the customer may arrange how the data will be collected.	This clause did not anticipate smart meters. Where smart metering data is collected by remote means there does need to be choice of an alternative method which was intended to be remote collection. Furthermore it needs to be clear that a customer cannot request that data from a smart meter be alternatively manually collected.		This clause would need to continue to apply to > 160 MWh customers where it is not mandatory that smart meters be installed and where some customers may not have data collected remotely. The Commission proposes a new paragraph 8 (aa) be inserted; "This clause 8 does not apply to <b>customers with smart meters</b> ."
9 Definitions		There is currently no definition of a smart meter		As noted above the Commission considers that a definition of a smart meters should be included

ELECTRICITY CUSTOMER TRANSFER CODE				
ALL OBLIGATIONS				
Clause	Summary of Obligation	Issue for operation of smart meters	Other information/submissions	ESC preliminary view
1	Purpose, application and amendment	No issues for the operation of smart meters		No change to this clause is proposed
3 NMI Discovery and Market Facilitation Data	Concerned with provision, use and application of certain customer data associated with the connection point, the NMI and standing data.	This information relates to the connection point and while containing information about the type of meter and the distribution tariff code there appears to be no issues for the operation of smart meters.		No change proposed
4.1 Process for customer transfer - Proposed retailer to initiate	This section is concerned with which party may initiate the transfer of a customer to another retailer.	There is no issue for the operation of smart meters. The proposed new retailer would continue to be the party that would request transfer and in accordance with the same requirements.		No change is proposed.
4.2 and 4.3 Process for customer transfer - Proposed transfer date and meter read method	These sections are concerned with establishing the transfer date and the need for an appropriate meter reading at that time for the purpose of transfer.	A meter read is required for transfer, this traditionally has been from a scheduled read (up to a quarter apart) or a special read which would incur additional costs. Smart meters allow reading daily and daily remote readings may become a "scheduled read" and a transfer the next day could be achieved without a special read being required. The principle that a transfer must take place based on actual meter data should be retained. Smart meters will provide more		The existing arrangements for the manual reading of accumulation meters will need to stay in place for some time. The Commission proposes to add the following clause 4.1A to section 4 to allow for the readings from smart meters; <b>4.1A Smart meters</b> For the purposes of clauses 4.2 and 4.3, if a <i>customer</i> has a <i>smart meter</i> that is remotely read, a reading of the <i>customer's</i> meter and the processing of the consumption data in accordance

ELECTRICITY CUSTOMER TRANSFER CODE				
ALL OBLIGATIONS				
Clause	Summary of Obligation	Issue for operation of smart meters	Other information/submissions	ESC preliminary view
		<p>transfer flexibly as reading will occur more often with daily reads being proposed. With the approach proposed section 4.3 will not require amendment.</p> <p>Clause 4.2(b)(2) allows a retrospective date to be applied (AEMO's MSATS provides for this date to be up to 10 days earlier than the date a transfer is "requested") provided that date was a reading date.</p> <p>The Commission considers that with smart meters it is not necessary to have retrospectivity to align to a reading date (see discussion above) and that retrospectivity provisions were not intended to allow arbitrary retrospective transfer dates.</p> <p>For customers with smart meters retrospectivity could continue to be used in the case of a move-in (sub paragraph (1)). This allows a single contract to be established from the move-in date.</p>		<p>with the <i>Electricity Customer Metering Code</i> or <i>Metrology Procedure</i>, as the case may be, is considered to be an actual read and a scheduled meter read.</p> <p>The Commission proposes the following amendment to clause 4.2(b)(2) which would read; "was an actual meter reading date for a <i>relevant customer</i> with other than a <i>smart meter</i> occurring after the <i>retrospectivity start date</i> (CATS code 1010 or 1081); or"</p>
4.4 Customer's own reading	Allows a customer's read of the meter for transfer where the customer has such an arrangement with the distributor.	As register reads will not be used as metering data, customers will not have such an arrangement for smart meters.		No change to this clause is proposed

<b>ELECTRICITY CUSTOMER TRANSFER CODE</b>				
<b>ALL OBLIGATIONS</b>				
<b>Clause</b>	<b>Summary of Obligation</b>	<b>Issue for operation of smart meters</b>	<b>Other information/submissions</b>	<b>ESC preliminary view</b>

5 Objections to Transfer	Allows the existing retailer to object to the transfer of a customer where certified debt is owing	No issue for smart meters		No change to this clause is proposed
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## MARKETING CODE OF CONDUCT FOR RETAIL ENERGY IN VICTORIA

### ALL OBLIGATIONS

Clause	Summary of Obligation	Issue for operation of smart meters	Other information/submissions	ESC preliminary view
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#### 1 - Marketing representatives

<b>Training</b>	<p>Sets out requirements on retailers to provide initial and ongoing training and testing of marketing representatives, including:</p> <ul style="list-style-type: none"> <li>• Consumer laws</li> <li>• misleading, deceptive or unconscionable conduct</li> <li>• basic contractual rights and the meaning of explicit informed consent to a contract</li> <li>• the ability to clearly explain the arrangements for competition in energy supply, including the right to freely choose a retailer</li> <li>• product knowledge, including tariffs, billing procedures and payment options (and any other areas stipulated by the Commission)</li> </ul>	<p>Customers will want to know about the role of smart meters and how time-of-use tariffs will impact their bills, how they will be able to benefit from time of use pricing, why they have to pay for meters, etc. Retailers will have to adapt their marketing practices.</p>		<p>Comments are sought on whether, and how, they can be consistent training by retailers. How prescriptive should the Commission be in stipulating training areas.</p>
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#### 2 – Contact with consumers

<b>2.1 Personal contact</b>	Sets out identification requirements for marketing representatives for door-to-door marketing	No implications because of smart meters		No change to the regulation
<b>2.2 Telephone contact</b>	Sets out identification requirements for marketing representatives for telemarketing	No implications because of smart meters		No change to the regulation
<b>2.3 No contact lists</b>	Sets out obligations on retailers when customers request no marketing contacts	No implications because of smart meters		No change to the regulation
<b>2.4 Visit records</b>	Sets out obligations to retailers to keep records and marketing details of personal contacts to enable the identification of marketing representatives and to assist in dealing with enquiries and complaints	No implications because of smart meters		No change to the regulation
<b>2.5 Telephone</b>	Sets out obligations to retailers to keep	No implications because of smart		No change to the regulation

## MARKETING CODE OF CONDUCT FOR RETAIL ENERGY IN VICTORIA

### ALL OBLIGATIONS

Clause	Summary of Obligation	Issue for operation of smart meters	Other information/submissions	ESC preliminary view
<b>records</b>	records and marketing details of telephone contacts to enable the identification of marketing representatives and to assist in dealing with enquiries and complaints	meters		
<b>3 – Information</b>				
<b>3.1 Clear language</b>	Requires information to be provided to consumers in plain English and designed to be readily understood by consumers.	No changes required for TOU pricing contracts, but likely to be more challenging for retailers		No change to the regulation
<b>3.2 Conduct</b>	Requires retailers to comply with all state and national fair trading laws.	No implications because of smart meters		No change to the regulation
<b>3.3 Pre-contractual information</b>	<p>A retailer must provide the information to a consumer before entering into a contract, including:</p> <ul style="list-style-type: none"> <li>▪ details of all applicable prices, charges<sup>1</sup>, tariffs and service levels that will apply to the consumer, where the retailer must declare that the price offered is inclusive of all costs, including GST; and</li> <li>• the type, frequency of bills and payment methods the consumer will receive;</li> <li>▪ cancellation rights and any termination fees that might apply;</li> <li>▪ all relevant information about any difference between the contract's terms and conditions and the basic terms and conditions under the Energy Retail Code</li> </ul>	The tariffs which the retailer must disclose will be dependent on the tariff structure ultimately determined by the Government. There will be implications, but it is difficult to be definitive at this time	<p>SDVP - Because DPC and DLCC are new and complex retail products to customers, retailers offering these products should be required to provide the prospective customer with additional information in order to ensure that explicit informed consent is obtained.</p> <p>One particular issue that needs to be disclosed at marketing stage is offers with variance between network and retail tariff shape. A standardised shape is essential to ensure that the standing offer is the basic, standard, comparable offer as intended.</p> <p>VCOS - retailers' standing offers should reflect network tariff shape; there should be tools to assist</p>	<b>Refer discussion in section 3.2</b>

<sup>1</sup> Subject to the retailer being aware of all charges which may apply to that consumer or the consumer's premises.

**MARKETING CODE OF CONDUCT FOR RETAIL ENERGY IN VICTORIA**

**ALL OBLIGATIONS**

Clause	Summary of Obligation	Issue for operation of smart meters	Other information/submissions	ESC preliminary view
			customers to compare offers and tariff shapes	
<b>3.4 Cooling off</b>	Sets out the consumer’s cooling-off rights: <ul style="list-style-type: none"> <li>▪ 5 business days from and including the relevant date if the customer requires energisation; and</li> <li>▪ otherwise, 10 business days from and including the relevant date</li> </ul>	No implications assumed because of smart meters	<b>SDVP</b> - the 10 day cooling off period should not commence until the customer has received the contract and that customers should be given a prescribed form explaining their cooling off rights before the cooling off period starts.	It is agreed that attention should be given to marketing conduct in a TOU environment, at least for the first 2-3 years (refer some discussion in section 3.2). However, the proposal by SDVP is externally-driven and impossible to enforce (eg postage late, customer says didn’t receive, etc). The obligation must be on the retailer to demonstrate that the material was given to a customer within 2 business days, and the cooling-off commences from that date (see clause 3.5 of Marketing Code). <b>No change to the regulation is proposed.</b>
<b>3.5 Contract information</b>	Sets out the retailer’s obligations to provide information to the customer on or before the second business day after the relevant date in	No implications because of smart meters		No change to the regulation

MARKETING CODE OF CONDUCT FOR RETAIL ENERGY IN VICTORIA				
ALL OBLIGATIONS				
Clause	Summary of Obligation	Issue for operation of smart meters	Other information/submissions	ESC preliminary view

	respect of a contract.			
<b>3.6 Electronic commerce information<sup>2</sup></b>	Requires the retailer to ensure that, if contracts are formed on-line, the retailer shall have on line processes to ensure the consumer has received the information required by Section 3.5, prior to entering into the contract and sent via email to the consumer immediately after entering into the contract.	No implications because of smart meters		No change to the regulation
<b>3.7 Off retailer business premises contracts</b>	Obligations on retailers the same	No implications because of smart meters		No change to the regulation
<b>4 – Consumer consent</b>				
<b>4.1 and 4.2 Consumer transfer<sup>3</sup> and contract terms</b>	Requires that a retailer shall not transfer a consumer to itself from another retailer without the consumer’s explicit informed consent. <sup>4</sup>	The concept of explicit informed consent is more complex and challenging in a TOU environment		<b>Refer to discussion in 3.2</b>
<b>4.3 Sales to minors</b>	Obligation on the retailer to take reasonable steps to conduct contract negotiations with a person who has the authority to enter into a contract for electricity supplied to the actual site.	No implications because of smart meters		No change to the regulation
<b>5 – Commencement of retail service</b>				

<sup>2</sup> Division 3 of Part 4 of the *Fair Trading Act 1999* applies to e-sales and requires the seller to pre-disclose the price and other charges, any cancellation rights, and the full name of the seller and either the business address or the telephone number. This information must also appear in any agreement subsequently made (see section 69 of *Fair Trading Act 1999*).

<sup>3</sup> This clause is not required by the *Fair Trading Act 1999*. However, for telephone marketing agreements, the explicit informed consent provisions of section 67D apply.

<sup>4</sup> Clause 4.1(a) does not apply if the transfer is made in connection with a new energy contract arising from the consumer’s acceptance of the retailer’s standing offer.

**MARKETING CODE OF CONDUCT FOR RETAIL ENERGY IN VICTORIA****ALL OBLIGATIONS**

<b>Clause</b>	<b>Summary of Obligation</b>	<b>Issue for operation of smart meters</b>	<b>Other information/submissions</b>	<b>ESC preliminary view</b>
<b>Commencement</b>	Sets out requirements on retailers to let customers know the expected date of effect of the contract	No changes to the obligations because of smart meters		No change to the regulation
<b>6 – Marketing and consumer information</b>				
<b>General obligations</b>	Marketers cannot imply they are conducting marketing research for individual marketing purposes and must comply with the National Privacy Principles	No implications because of smart meters		No change to the regulation
<b>7 – Dispute resolution</b>				
<b>7.1 &amp; 7.2 Internal &amp; external dispute resolution</b>	Sets out requirements on retailers regarding complaints & disputes resolution	No implications because of smart meters		No change to the regulation

USE OF SYSTEM AGREEMENT				
Clause	Summary of Obligation	Issue for operation of smart meters	Other information/submissions	ESC preliminary view
5 Connection	Paragraph (a) sets out that the retailer must submit a connection request from a customer in accordance with agreed industry standards and within one business day of receiving the customer's request.	The clause appears to be concerned with connecting supply to the customer's supply point rather than energisation. Hence there is no issue for smart meters.		No change is proposed.
6.3 Disconnection at the request of the retailer	Sets out the arrangements for the retailer to notify the distributor of a disconnection, the timing of the disconnection and the distributor's associated conditions. The clause, which is subject to the electricity law, allows the distributor up to 2 business days to effect the disconnection.	Disconnection refers to deenergisation. Smart meters allow deenergisation in shorter time frames and by remote rather than on-site means. Under this clause distributor must disconnect the customer within two business days. The UoSA requirements would necessarily follow any regulatory amendments in providing for retailer requests to distributors and the service that is offered by the distributor taking into account smart meters enabled services.	These services requested by industry based B2B arrangements are established under the national regulation which are being reviewed for smart meters.	<b>Refer to discussion in section 3.3.</b> Amendments may be required
6.4 Disconnection at the request of a customer	This clause provides for the distributor to disconnect the customer in accordance with the distribution code based on a request by the customer.	For smart meters the issue is what method does the distributor use for the disconnection and is the customer given choice.		Customers should continue to be able to request a disconnection directly with a distributor, the effective operational arrangements for this would be set out in the distribution code. It may not be necessary to amend this clause.
6.5 Reconnection of	Sets out that the distributor must reconnect supply when required to do	The clause does not indicate times that must apply instead indicating		No change is proposed; other codes will set out any changed

<b>USE OF SYSTEM AGREEMENT</b>				
<b>Clause</b>	<b>Summary of Obligation</b>	<b>Issue for operation of smart meters</b>	<b>Other information/submissions</b>	<b>ESC preliminary view</b>
supply	so under the electricity law or when a proper request is received from a retailer.	that the reconnection (reenergisation) shall be carried out in accordance with the electricity law. It is the electricity law that will set out any new arrangements for customers with smart meters.		requirements for reenergisation for customers with smart meters.
<b>7 – FEES, BILLING AND PAYMENT</b>				
<b>7.4 &amp; 7.5 Invoices and Metering Data</b>	Obligations to parties to meet their financial obligations	Key issue as the distributors are seeking monthly network billing for all customers, whereas it is quarterly currently for most customers	Distributors and retailers have made separate submissions to the Commission	<b>Refer discussion at section 3.4</b>
<b>8 – INFORMATION EXCHANGE</b>				
<b>8.1 &amp; 8.3 Compliance with Privacy Laws</b>	Obligations on parties to comply with applicable Privacy Laws in relation to privacy, disclosure, use or confidentiality of information	There should not be implications because of smart meters, but there are concerns by consumer groups that information will be misused		<b>Comments are sought on whether there is any requirement for further amendment</b>
<b>8.2 Provision of Information</b>	Obligations on each party to ensure it provides relevant information at no cost and in a timely manner information that it needs to comply with its obligations	The operations of smart meters should not impact this obligation, but views of relevant parties are required		<b>Comments are sought on whether there is any requirement for further amendment For</b>
<b>8.4 Information Exchange Protocols</b>	Obligations to participate in B2B processes	The operations of smart meters should not impact this obligation, but views of relevant parties are required	<b>VECCI</b> The review should include an exploration of whether the present customer protection framework needs to be altered to reflect smart meter technology changes and data exchange practices between distribution and retail businesses.	<b>Comments are sought on whether there is any requirement for further amendment For</b>
<b>8.5 &amp; 8.6 Accuracy and changes in information</b>	Obligations to ensure information is accurate and up-to-date	The operations of smart meters should not impact this obligation, but views of relevant parties are required		<b>Comments are sought on whether there is any requirement for further amendment</b>

USE OF SYSTEM AGREEMENT				
Clause	Summary of Obligation	Issue for operation of smart meters	Other information/submissions	ESC preliminary view

9 – COMMUNICATIONS REGARDING CUSTOMERS AND SYSTEM DATA				
<b>9.1 Answering Fault Calls</b>	Procedures regarding distribution faults and emergencies	Obligations the same irrespective of smart meters		No changes required
<b>9.2 Provision of information on faults and unplanned interruptions</b>	Links the provision of information to time frames required under the Distribution Code	Obligations the same irrespective of smart meters		No changes required
<b>9.3 Provision of information for Planned Interruptions and Disconnections</b>	Information to be provided to customers and retailers, linking the obligations with those in the Distribution Code	Obligations the same irrespective of smart meters, although terminology may need revision		No changes required
<b>9.4 Customer Details</b>	Customer information to be provided by the retailer to the distributor	Obligations appear to be the same irrespective of smart meters, but views of the parties are required		<b>Comments are sought on whether there is any requirement for further amendment</b>
<b>9.5/9.6/9.7 Enquiries and Complaints, Ombudsman Complaints</b>	Procedures for handling complaints and disputes, which involve retailers, distributors and the Ombudsman	Obligations the same irrespective of smart meters		No change to the Use of System Agreement
<b>9.8 Changes in Network Tariffs or Distribution Services</b>	Obligations and procedures in relation to changes to network tariffs	Will be critical in the operation of smart meters		<b>Comments are sought on requirements for further amendments to these provisions</b>
<b>9.9 Theft of Electricity</b>	Procedures in relation to theft of electricity	Obligations the same irrespective of smart meters		No changes required
<b>9.10 Information to Customers</b>	Procedures where distributors and retailers must co-operate in relation to the provision of information	Obligations the same irrespective of smart meters		No changes required



<b>USE OF SYSTEM AGREEMENT</b>				
<b>Clause</b>	<b>Summary of Obligation</b>	<b>Issue for operation of smart meters</b>	<b>Other information/submissions</b>	<b>ESC preliminary view</b>

<b>17 - CONFIDENTIALITY</b>				
<b>17.1 – 17.4 General and specific obligations</b>	Obligations on parties to the agreement to keep information confidential except in specified circumstances or allowed under the law	Obligations the same irrespective of smart meters		No changes required

<b>DISTRIBUTION AND RETAIL LICENCES</b>				
<b>Clause</b>	<b>Summary of Obligation</b>	<b>Issue for operation of smart meters</b>	<b>Other information/submissions</b>	<b>ESC preliminary view</b>
<b>DISTRIBUTION LICENCE</b>				
<b>18 Confidentiality</b>	Obligations on distributors to only use customer information for the purpose for which it was given, unless the distributor has the customer's written consent (unless allowed by law to do otherwise)	This review is not considering at this time whether distributors should be allowed to market products to customers arising from smart meters		No change to the regulation is required
<b>19 Statement of charges</b>	Information to be provided to the retailer to enable the retailer to accurately charge the customer	Consultation needs to occur with the retailers as to whether further regulation is required or if it is dealt with sufficiently through the Use of System Agreement		<b>Stakeholder views are sought as to whether any further amendments are required to the Use of System Agreements to effect this obligation on the distributors</b>
<b>RETAIL LICENCE</b>				
<b>7 Contracts with Customers</b>	Sets out high level requirements on retailers regarding contracts with customers	There will be implications if there are statutory amendments to the standing offer contract conditions, specifically to the requirements on customers regarding TOU tariffs.	<b>SVDP</b> – there appears to be an assumption that time varying prices, such as time of use tariffs, will only be applied to market contracts. However, as retail tariffs tend to reflect the shape of network tariffs, time of use pricing will most likely apply to standing contracts as well. Clarification is required as to what tariff shapes are expected to be available on a standard contract.	Any regulatory changes will be dependent on policy and statutory developments. No changes proposed at this time
<b>8 Obligation to offer to sell</b>	Sets out statutory obligations on obligation to sell	As above		As above
<b>9 - Information to customers</b>				
<b>9.1. Bill Information</b>	Sets out minimum information which must be included in all customers' bills	The licence provision duplicates information which is included in the ERC and therefore could be deleted. However, the ERC is restricted to all domestic customers, and small business customers consuming <40MWh/pa. Given the implications for TOU tariffs, it		<b>Refer to discussion in section 3.1</b> Comments are sought on whether the obligation should be retained in the licence as it refers to larger customers.

<b>DISTRIBUTION AND RETAIL LICENCES</b>				
<b>Clause</b>	<b>Summary of Obligation</b>	<b>Issue for operation of smart meters</b>	<b>Other information/submissions</b>	<b>ESC preliminary view</b>
		may be necessary to retain the obligation		
<b>9.2 Variations</b>	Sets out obligations to provide information on variations to tariffs	As above		As above
<b>9.3 Deemed contracts</b>	Sets out requirements on retailers to provide deemed contractual information to customers for whom they become the financially responsible retailer, if the customer moves-in and energises the premises	Information should be expanded to provide information on smart meter operations, including remote energisation and de-energisation		<b>Refer to discussion in section 3.3</b>
<b>9.4 Publication of tariffs</b>	Obligations on retailers to include, in its public advertisement on tariff changes, additional information for customers from non-English speaking backgrounds	Critical concern for the Government in the publication of tariffs		The licence obligations mirror the legislative requirements. This provision will be reviewed once the Government's decisions on time-of-use tariffs are determined
<b>9.5 Fixed term contracts</b>	Obligations on retailers to inform customers of options once fixed term contracts expire	Obligations the same irrespective of smart meters		No change to the regulation
<b>9.6 Information by retailers</b>	Obligation on retailers to provide information to premises which is leaves energised once it is vacated	Critical issue in the context of remote deenergisation/reenergisation – how will information be provided to customers about their options?		Refer to discussion in section xxx