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Registered Office:

Level 3, 501 Blackburn Road
PO Box 449
Mt Waverley VIC 3149 Australia
Telephone (03) 8540 7800
Facsimile (03) 8540 7899

Our Reference: UE.RE.12.01

Ms Khayen Prentice
Regulatory Analyst
Essential Services Commission
L2, 35 Spring St
Melbourne VIC 3000

E-mail: khayen.prentice@esc.vic.gov.au

Smart Meter Regulatory Review - Capacity Control and Verifying Bills

Dear Khayen

United Energy (UE) appreciates the opportunity to comment on the ESC Draft Decision on the Smart Meter Regulatory Review – Capacity Control and Verifying Bills.

The Smart Meter Regulatory Review – Capacity Control and Verifying Bills covers the following;

- the regulation of load control products;
- the regulation of supply capacity control products for purposes other than credit management ;
- inclusion of the total accumulated consumption read corresponding to the start of the billing period on customers' bills for smart meters; and
- whether the distributors should be required to leave customers the final accumulation meter read when they change over the basic meter to a smart meter.

UE provides comments on each of the matters under consultation and the ESC's draft decision.

Supply capacity and load control

The ESC does not intend to make a decision on supply capacity control and load control products at this stage of the smart meter roll out. The ESC recognises that there are many uncertainties surrounding smart metering technology and customer's response to the technology.

UE strongly support the ESC view that innovation is valued and should be encouraged rather than inhibiting such product or technology developments. The ESC supports innovation and recognises that processes may be developed by industry working groups to enable these smart meter features/products in the market. Any industry procedures or processes will undergo extensive public consultation and take time to deliver.

Whilst the ESC acknowledges supply capacity control and load control may be used by distributors in emergencies to ration power and avoid outages the use of these features by distributors outside of emergencies is not sanctioned without further consideration. UE trust that any current load



control (for example smart meter with an internal contactor for hot water) or connection asset type controls are able to be used.

UE is supportive of not regulating in this area at this point in time in light of the above uncertainties and the development of industry processes that may allow offerings to the market.

UE recognise that customers should have a choice of product offerings and customers are in a position to give fair consideration to rebates/benefits in exchange for a possible demand response. UE consider that customer trials and product development should be allowed to occur in this area, with customers who are approached having the ability to opt in/opt out of such trials. These trials are valuable for both industry and customers to gauge the level of demand response, level of customer engagement, adequacy of customer information etc. Both industry and consumers/consumer groups can gain valuable learning's and insight by such arrangements. These are important precursors to any significant product innovations and offerings and ensuring that appropriate customer protections are ultimately put in place.

The ESC should actively encourage innovation and maintain a watching brief on any new customer protections which may be required.

UE note that this is consistent with the Victorian Governments cost benefit analysis work on the Smart Metering Program where the main cost benefit arises from the ability to defer network investment through reliable customer response. It is also consistent with the approach under the NER where alternatives to network investment must also be considered and assessed.

Start readings on smart meter bills

The ESC has also decided that retailers will be required to include the start index read on customer's bills. The ESC's rationale is that customers are comfortable with index reads and hence are more likely to be confused or complain if they find that there is no longer a start index read on their bills.

UE re-iterate that the index reads taken from interval meters is not validated metering data. All financial transactions including calculation of customer charges are based on the interval metering data which is validated and processed according to NEM Procedures.

UE is supportive of the ESC decision to the extent that this approach does not result in increased costs to all consumers due to increased complaints and Ombudsman cases.

Readings at Meter Changeover

The ESC does not consider it necessary to require distributors to send the customer a reminder notice or to leave a final reading card at the customers premise. A final meter read will be taken at the time the meter is exchanged. This meter read will be on the customer's bill. UE support this ESC decision which continues to use the processes already in place in industry.

Should you have any questions in relation to this submission please feel free to give me a call on 8540 7819.

Yours sincerely

Verity Watson