

22 February 2010

Ms Khayen Prentice
Essential Services Commission
Level 2, 35 Spring Street
Melbourne VIC 3000

By email: khayen.prentice@esc.vic.gov.au

Dear Ms Prentice

Re: Regulatory Review—smart meters

Thank you for the opportunity to provide comment on the Essential Services Commission's (ESC's) *Regulatory Review-smart meters* (the Review).

We welcome the ESC's decision to review the existing regulatory instruments to ensure the customer protections currently offered are adapted to the operation of smart meter technology.

Customers are provided with transparent and accessible information to enable them to understand the basis of their bills and to manage their energy consumption

In the 2008/2009 financial year 45% of EWOV complaints related to billing issues. Information on the bill can be an important tool for customers to understand the basis of their bills and when they are querying a higher than expected bill. The same applies to access to historical billing data.

Bill content

Customers should be able to verify what they are being billed for. At the moment, customers with manually read or basic electricity meters receive bills that show the current meter reading and the previous reading. Customers can take their own meter reading and compare it to the information on the bill. EWOV has received complaints from customers with interval meters where their bills only show a total usage figure. It has been suggested that customers can verify their usage by adding up all usage on their bills and comparing this to their meter. This seems to be a very onerous way for customers to check their bill. EWOV acknowledges the technical limitations of interval meter data collection, however we would like to see other options explored such as the inclusion of an index read once every twelve months. EWOV suggests that the Review consider whether there should be an obligation on retailers to

provide a summary of interval data on bills and if so, what information is to be included in this summary.

Historical billing information

Clause 27 of the Energy Retail Code currently requires retailers to retain historical billing information for two years and allows the customer to request this data. It is important for customers to have access to this information and this should not change because of the smart meter rollout. The question is how interval metering data will be made available to customers and in what format to ensure that customers with limited technical expertise can analyse and compare the data. The Ministerial Council of Energy's Standing Committee of Officials proposed 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 based¹. EWOV welcomes this proposal, as it would allow customers to decide which level of detail they require. Given that a full set of billing data would include 30 minutes interval data for a whole billing period, it also needs to be considered in what form retailers would have to provide the information to ensure it was easy to understand.

The procedures in place to facilitate premises being remotely connected and disconnected from supply are sufficiently robust to protect customers from errors in connections and disconnections

In 53% of the energy disconnection complaints EWOV investigated in 2008/2009, the retailer agreed to make a wrongful disconnection payment. In view of this, EWOV is concerned that not all retailers consistently follow correct disconnection procedures. This makes it even more essential that the current protection framework is not reduced. The possibility of remote reconnection may facilitate faster reconnection, however the existing notification requirements should be retained to give customers the opportunity to take steps to secure ongoing supply. It is also important to ensure that customers are made aware of the possibility of remote disconnection and this information should be included on all disconnection warning notices.

Customers who experience difficulties paying their bills receive adequate assistance if their account cycles changes because of smart meter billing

Under clause 3.1 of the Energy Retail Code retailers have to issue electricity bills at least every three months. The introduction of smart meters with the availability of remote reads may lead to more retailers offering monthly billing cycles. In EWOV's experience, negotiated payment plans are often based on fortnightly instalments, so a monthly billing cycle could make budgeting easier for some customers. Shorter billing cycles could also encourage retailers to identify customers experiencing payment difficulties earlier and allow retailers to offer assistance and thereby prevent arrears from escalating to unmanageable levels.

¹ National Energy Customer Framework, Second Exposure Draft, Explanatory Material at page30.

We trust the above comments are helpful. Should you require further information or have any queries, please contact Kerrie Milburn-Clark, Manager Public Affairs and Policy, on (03) 9649 7599 or by email at Kerrie.Milburn-Clark@ewov.com.au.

Yours sincerely

A handwritten signature in cursive script that reads "Fiona McLeod".

Fiona McLeod
Energy and Water Ombudsman (Victoria)