



9 April 2009

**By email:** [aerinquiry@aer.gov.au](mailto:aerinquiry@aer.gov.au)

Mr Chris Pattas  
Network Regulation South  
Australian Energy Regulator  
GPO Box 520  
Melbourne VIC 3001

Dear Mr Pattas

### **Interval Meter Reassignment Requirements – Draft Decision**

Consumer Action Law Centre (**Consumer Action**) welcomes the opportunity to comment on the Australian Energy Regulator's (the **AER**) Interval Meter Reassignment Requirements Draft Decision (the **Draft Decision**).

We broadly support the AER's Draft Decision, which is essentially aimed at ensuring that consumers are appropriately informed following the rollout of interval meters at a time when distributors are reassigning consumers to time-of-use (**TOU**) network tariffs.

In particular, we support the AER's Draft Decision that reassignment to a TOU network tariff by a distributor can only occur if the distributor's network charges are set on the basis of the interval data.

We also support the AER's decision to have distributors provide retailers with written notification of the reassignment of consumers to a TOU network tariff at least 45 business days in advance, and that retailers then notify the consumer in writing within 10 business days of receiving the distributor's notification. This will ensure that consumers receive sufficient notice of a network tariff reassignment.

We have concerns, however, at the level of information required to be provided to consumers. Information provided to consumers needs to clearly explain what an interval meter is, how it works and the difference between that and an accumulation meter. Further, TOU tariffs need to be clearly explained and, specifically, this must include the difference between a network tariff and a retail tariff and how these relate to each other. This is critical to the relevance of the information to consumers, given

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ultimately they see only the retail tariffs they are charged, not the underlying network tariffs.

We reiterate that consumers should also be provided with:

- A summary of the changes to the distribution tariffs;
- The reason for the tariff reassignment;
- The commencement date of the new distribution tariffs;
- The appropriate distribution company contact details for customers to query issues associated with the change in tariff; and
- Advice to the customer about how they can obtain more information on interval meter tariffs.

While not the subject of the Draft Decision, it is important to note that significant concerns remain regarding the pass through of distribution TOU tariffs to consumers by retailers. There needs to be clear requirements for retailers to mirror the tariff shapes of the distributors, to ensure useful and relevant signals of consumer behavioural change and consumption patterns are clearly reaching the distributor. This will ensure that the Government policy objectives of reducing peak generation needs can be met. We also note that in the absence of such requirements on retailers, the provision of information to consumers about network tariff changes could be more confusing than helpful.

Should you have any questions in relation to this submission, please contact me on 03 9670 5088.

Yours sincerely

**CONSUMER ACTION LAW CENTRE**



Janine Rayner  
Senior Policy Officer