



# **Interval Meter Reassignment Requirements**

## **Draft Decision**

13 March 2009

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# Contents

<b>Shortened forms .....</b>	<b>4</b>
<b>1 Introduction .....</b>	<b>5</b>
1.1 Background .....	5
<b>1.1.1</b> Transfer of regulatory functions .....	5
1.2 Regulatory framework for this draft decision .....	6
1.3 Consultation paper .....	7
1.4 Purpose of this paper .....	7
1.5 Making submissions .....	8
<b>2 Issues arising from consultation paper .....</b>	<b>9</b>
2.1 Overview .....	9
<b>2.1.1</b> Circumstances in which customers can be reassigned to a TOU network tariff .....	10
2.2 Principles for interval meter reassignment .....	10
2.3 Notification and information requirements .....	12
<b>2.3.1</b> Coordination of customer notification .....	12
<b>2.3.2</b> Timeframe for providing customer notification .....	15
<b>2.3.3</b> Information required as part of the customer notification .....	16
<b>3 Draft Decision .....</b>	<b>18</b>
<b>Appendix A: Proposed amendments .....</b>	<b>19</b>

## Shortened forms

AER	Australian Energy Regulator
APG	Australian Power and Gas
AMI	Advanced Metering Infrastructure
ATA	Alternative Technology Association
CUAC	Consumer Utilities Advocacy Centre
ESCV	Essential Services Commission of Victoria
EWOV	Electricity and Water Ombudsman (Victoria)
IMRR	interval meter reassignment requirements
NEVA	<i>National Electricity (Victoria) Act 2005 (Vic)</i>
SVDP	St Vincent de Paul
TOU	Time of Use

# 1 Introduction

## 1.1 Background

In July 2004, the Essential Services Commission of Victoria (ESCV) mandated the roll out of manually read interval meters<sup>1</sup> to all Victorian electricity customers and assigned responsibility for this roll out to electricity distributors.<sup>2</sup> This was reflected in the ESCV's *Electricity Distribution Price Review 2006–10, Final Decision Volume 2: Price Determination* (the price determination), which provided for a distributor to reassign a customer to a time of use (TOU) tariff if the distributor installs an interval meter at that customer's premises. The conditions under which the customer may be reassigned were subject to the requirements determined by the ESCV.

In 2006, the Victorian Government announced a decision to roll out Advanced Metering Infrastructure (AMI) to all Victorian electricity customers. Following this decision the ESCV suspended the roll out of manually read interval meters. The roll out of AMI meters is scheduled to commence in 2009 and conclude on 31 December 2013.<sup>3</sup> The AMI meters are also subject to the price determination decision regarding the reassignment of customers to a TOU tariff.

### 1.1.1 Transfer of regulatory functions

As part of the transition to the national regulation of energy markets, the Australian Energy Regulator (AER) is exercising certain powers and functions previously undertaken by the ESCV. The new responsibilities are conferred upon the AER by the operation of the *National Electricity (Victoria) Act 2005* (NEVA) in accordance with the *Trade Practices Act 1974* and the Australian Energy Market Agreement. The NEVA specifically confers economic regulatory functions, powers and duties from the ESCV to the AER from 1 January 2009.

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<sup>1</sup> An interval meter can measure and record the electricity consumed every half hour. Most small business and domestic customers in Victoria have a basic accumulation meter that records aggregate energy use over either one month or one quarter (Source: Essential Services Commission, *Mandatory rollout of interval meters for electricity customers final decision*, July 2004, p. 34)

<sup>2</sup> Essential Services Commission, *Mandatory rollout of interval meters for electricity customers final decision*, July 2004.

<sup>3</sup> Letter from Peter Batchelor MP, Minister for Energy and Resources, to Australian Energy Market Commission, *Continuation of certain Victorian arrangements for electricity metering*, 18 September 2008, available at [www.aemc.gov.au](http://www.aemc.gov.au).

As a result of this conferral, the AER must develop and publish the interval meter reassignment requirements prior to the distributors being able to reassign customers with annual consumption of less than 20/MWh to a TOU network tariff.

## 1.2 Regulatory framework for this draft decision

Under clauses 2.1.22(iii) and 3.1.14(iii) of the price determination, a distributor is not permitted to reassign customers, whose annual consumption of electricity is less than 20/MWh, to a TOU distribution tariff or TOU transmission tariff when an AMI meter is installed, unless the interval meter reassignment requirements (IMRR) have been published by the ESCV.

While the ESCV issued a consultation paper on possible IMRRs in May 2008, given delays to the roll-out of smart meters and the pending transfer of regulatory responsibilities to the AER, the ESCV issued an open letter in October 2008 advising stakeholders that it had cancelled its draft process on the interval meter reassignment requirements.<sup>4</sup> Accordingly, it is now the responsibility of the AER, as the responsible regulator for the Victorian energy market under the NEVA to issue a draft decision on the IMRR.

The IMRR are defined in the price determination as:

The distribution customer notification and information requirements that must be complied with prior to a distribution business reassigning a distribution customer to a time of use distribution tariff following installation of an interval meter.<sup>5</sup>

The price determination does not differentiate between an AMI meter (where the meter is read remotely) from manually read interval meters. An interval meter means 'a meter that is capable of recording energy consumption in intervals of 30 minutes or less'.<sup>6</sup> Therefore, provided the distributor will collect interval data once an interval meter is installed, the distributor will be entitled to reassign customers to a TOU network tariff.<sup>7</sup>

Clauses 2.1.22(v) and 3.1.14(v) of the price determination require the ESCV (now the AER) to consult with relevant stakeholders prior to publishing the interval meter reassignment requirements.

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<sup>4</sup> Available at <http://www.esc.vic.gov.au/NR/exeres/55BE9EEF-12FB-4FD7-B6E0-45F33D1A879D.htm>

<sup>5</sup> Essential Services Commission, *Electricity Distribution Price Review 2006–10 Determination, Final Decision Volume 2: Price Determination*, October 2005, p. 71.

<sup>6</sup> *ibid.*

<sup>7</sup> A network tariff is the tariff that combines the distribution tariff and the transmission tariff.

Clauses 2.1.22(iv) and 3.1.14(iv) specify that a distributor must provide customers with notification in writing consistent with the interval meter reassignment requirements prior to reassigning relevant customers to a TOU distribution tariff and TOU transmission tariff.

The reassignment requirements relate specifically to notification of a change in distributors' network tariffs. They do not relate to retailers' actual tariffs or tariff structures. In addition, the reassignment requirements do not deal with the merits of the respective tariffs introduced by distributors as a consequence of installing and commissioning AMI meters, the functionality of AMI meters or the relative benefits of AMI meters compared to the accumulation meters they are replacing.

When reassigning customers as a result of the rollout of AMI, distributors will still be required to meet the overall price cap applicable in any given year under the price determination. This includes compliance with the rebalancing constraints within the price controls, which limit the average increase in tariffs for each customers class at CPI+2 per cent over 2006-10. As the rebalancing control only applies to the average tariff, it allows distributors flexibility over how they vary the stranding charge, demand charge and consumption charge, provided the average tariff does not contravene the CPI+2 per cent constraint.

### **1.3 Consultation paper**

In May 2008, the ESCV published a consultation paper, which sought stakeholder views on the issues the ESCV should consider in determining the interval meter reassignment requirements.<sup>8</sup> Twelve submissions were received from retailers, distributors, Energy and Water Ombudsman, Victoria (EWOV) and consumer representatives.<sup>9</sup> The substantive issues raised in these submissions have been taken into account by the AER in this draft decision.

### **1.4 Purpose of this paper**

This draft decision sets out the notification and information requirements that form the IMRR that will apply to distributors before they reassign a customer to a TOU network tariff following the installation of an AMI meter.

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<sup>8</sup> Available on the ESCV's website at [www.esc.vic.gov.au](http://www.esc.vic.gov.au)

<sup>9</sup> Submissions were received from AGL Energy Limited, Jemena (formerly Alinta AE Limited), Alternative Technology Association, Australian Power and Gas, CitiPower and Powercor, Consumer Action Law centre, Energy and Water Ombudsman (Victoria) Limited, Origin Energy, Red Energy, SP AusNet, St Vincent de Paul Society and Consumer Utilities Advocacy Centre, and United Energy Distribution.

The purpose of this paper is to provide stakeholders with an opportunity to respond and provide comment prior to the AER's final decision. The AER will take into account submissions received when developing its final decision on the interval meter reassignment requirements.

## **1.5 Making submissions**

Stakeholders are invited to make submissions on this draft decision. Submissions presented in electronic format are preferred. Submissions should be provided to the AER by 10 April 2009 and may be e-mailed to [aerinquiry@er.gov.au](mailto:aerinquiry@er.gov.au) or mailed to:

Chris Pattas  
General Manager  
Network Regulation South  
Australian Energy Regulator  
GPO Box 520  
Melbourne Vic 3001



## **2 Issues arising from consultation paper**

In its consultation paper, the ESCV outlined two scenarios in which the distributors could apply the AMI roll-out program. That is, an AMI meter is installed but continues to operate as an accumulation meter or alternatively, where it operates as an interval meter either manually or remotely read. The interval meter reassignment requirements only apply if the AMI meter operates as an interval meter at the customer's premise.

The issues outlined in this section, and this draft decision generally, assume that the AMI meter operates as an interval meter.

### **2.1 Overview**

The ESCV's consultation paper sought stakeholder views on the following matters:

- the circumstances in which customers can be reassigned to a TOU network tariff
- the appropriateness of the principles that underpin the notification and information requirements
- the appropriateness of a 30 business day notification period as opposed to a 90 calendar day period for small customers
- the necessity to require retailer and distributor communications to each end customer to be coordinated, given the impact on existing customer contractual obligations.

The ESCV also sought stakeholder views on whether the proposed information requirements below are sufficient to adequately inform customers:

- the reason for the tariff reassignment
- the commencement date of the new distribution tariff
- the distribution tariff code (i.e. alpha or numeric code) and applicable distribution tariff rate
- the appropriate distribution company contact details, for the customer 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.

Views were also sought as to whether any additional information should be required to be disclosed by the distributor to the customer prior to tariff reassignment.

The AER's consideration of the issues arising from submissions is set out below

### **2.1.1 Circumstances in which customers can be reassigned to a TOU network tariff**

The consultation paper proposed that where an AMI meter is installed and begins to function as an interval meter from the date of installation at the customer's premises, a TOU network tariff could apply immediately.

Where this is the case, distributors would need to advise customers in advance of the date that an AMI meter will be installed and commissioned at their premises, and that the customer will be reassigned to a TOU network tariff upon activation of that meter. That is, where that meter provides interval data that can be used by the distributors for designing and introducing new tariffs and tariff structures.

CitiPower and Powercor supported the ESCV's view, and submitted that there are other occasions when a change in network tariff would be required, such as:

Moving to an AMI meter may result in the controlled load consumption being combined with the customer's general power and light consumption and metered with a single element meter. This will therefore require an immediate transition to a time of use (ToU) tariff at the time of installation to ensure off-peak rates for overnight hot water heating.<sup>10</sup>

The AER is of the view that reassignment to a new TOU network tariff is permissible where interval data is collected from that meter for that connection point, such that the interval data is used by the distributor for the purpose of setting its network tariffs.

The AER considers that reassignment to a TOU network tariff by a distributor can only occur if the distributors' network charges are set on the basis of the interval data and that the notification requirements outlined in section 3 of this draft decision are complied with.

## **2.2 Principles for interval meter reassignment**

Under the price determination, distributors can reassign customers to a TOU network tariff following the installation of interval meters if the distributors comply with the interval meter reassignment requirements. The ESCV adopted certain principles when determining these requirements, which arise from clauses 2.1.21, 2.1.22 and 3.1.13 and 3.1.14 of the price determination as follows:

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<sup>10</sup> CitiPower and Powercor 2008, Interval Meter Reassignment Consultation, June, p. 1.

- the notification and information requirements apply in respect of small customers only
- the distributor can choose whether to apply a new tariff
- the notification requirements only relate to the notification of a new TOU network tariff
- the notification and information requirements apply when interval data is to be used and therefore a new TOU network tariff is possible
- notification should occur before the new network tariff takes effect at the customer's connection, which could only occur after an interval meter is installed
- a customer can be reassigned to a new network tariff irrespective of whether the interval data is collected manually or remotely.

The consultation paper included an additional principle to minimise the potential for customers to be confused by AMI meter related communications. That is, retailers and distributors should co-ordinate their communications to customers in relation to the AMI rollout, including for instance the process of disconnecting existing supply in order to change from an accumulation meter to an AMI meter.

The joint submission by St Vincent de Paul Society Victoria (SVDP) and the Consumer Utilities Advocacy Centre (CUAC) did not consider the above principles would adequately underpin the notification requirements because they did not clarify the type of tariffs that can be classified as TOU tariffs and did not indicate timelines for when distributors may reassign customers to a TOU tariff.<sup>11</sup>

Origin Energy observed that there was no obligation in the principles for the distributors to take into account customers' current contractual obligations with retailers.<sup>12</sup> This included whether customers are subject to long-term market contracts and prices, or whether customers are currently receiving the standard gazetted prices agreed with the Victorian Government.

The AER has considered these submissions but is of the view the principles do not need adjustment. The AER's reasons for this are set out below.

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<sup>11</sup> St Vincent de Paul Society Victoria and Consumer Utilities Advocacy Centre joint submission 2008, June, p. 2.

<sup>12</sup> Origin Energy 2008, *Interval Meter Reassignment Requirements*, June, p. 1.

The AER notes that the price determination already defines a TOU tariff as a tariff that has varying component for the time that consumption occurs.<sup>13</sup> This may include critical peak pricing or peak and off-peak tariffs. However the design of those tariffs is at the discretion of the distributor under the weighted average tariff basket control applied in Victoria. Therefore, the AER considers it is unnecessary to further define a TOU tariff as proposed by SVDP/CUAC.<sup>14</sup> . The issue of reassignment timing is addressed in section 2.3.2 of this draft decision.

The AER considers that the consideration of customers' current contractual obligations as raised by Origin Energy is a matter for retailers and not distributors. Currently, retailers manage the risk of changes in distribution network tariffs impacting their customers who have fixed price energy contracts. This will be no different under the AMI roll out and the application of TOU network tariffs.

The AER therefore will continue to have regard to the principles in the consultation paper when setting the customer notification and information requirements under AMI roll out in this draft decision.

## **2.3 Notification and information requirements**

In the consultation paper, the ESCV sought submissions on the following matters:

- whether it was appropriate to include a requirement that retailer and distributor communications to each end use customer be coordinated in respect of reassignment to TOU tariffs
- the length of the notification period to customers and
- the information that should be provided to customers before they are reassigned to a TOU network tariff.

This section sets out stakeholder submissions on these issues and the AER's draft decision.

### **2.3.1 Coordination of customer notification**

The consultation paper proposed that retailers and distributors coordinate their communications with customers to minimise the potential for customer confusion in regard to information about reassignment to TOU network tariffs.

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<sup>13</sup> Essential Services Commission 2005, op. cit., p. 74.

<sup>14</sup> Section 2.2.3 of this draft decision deals separately with the timelines distributors will be required to meet when reassigned distribution customers to a TOU network tariff.

It was also proposed to amend the Distribution Code to require distributors to notify customers about reassignment to a TOU network tariff following installation of an AMI meter at the customer's premises.

All stakeholders agreed that distributors and retailers should coordinate their communication with customers, but believed that only retailers should notify customers about tariff reassignment.

The AER notes the reasons submitted for this view are:

- retailers have the relationship with customers. AGL Energy, Origin Energy, Australian Power and Gas (APG) and SP AusNet submitted that as retailers maintain the customer relationship, they should be responsible for notifying customers about the tariff reassignment.<sup>15</sup> EWOV also considered that retailers may not transfer customers to a TOU tariff or may not be able to because of their existing contractual arrangements
- customers are often not aware of the distribution tariff. Red Energy and Origin Energy submitted that distributors should not be communicating with customers about distribution tariffs as most customers are not aware of these charges, which are embedded within the retail tariff. Consequently, customers would be confused by direct communications from the distributors and this would increase calls and costs to retailers<sup>16</sup>
- retailers may choose not to place customers on a TOU retail tariff after a distributor has reassigned customers to a TOU distribution tariff. AGL, Alinta AE<sup>17</sup> (now Jemena) and UED<sup>18</sup> submitted that a change in the distribution tariff may not affect the retail tariff that customers are currently on. Therefore, a notification from the distributor about distribution tariff reassignment might confuse customers.

Similar issues were raised during the ESCV's initial consultation on the price determination. At that time, the ESCV stated:

Retailers are not best placed to explain to customers the changes that are taking place in distribution tariffs as a result of the rollout of interval meters. Changes in distribution

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<sup>15</sup> SP AusNet, *Interval Meter Reassignment Requirements – Consultation Paper*, May 2008, June 2008, p. 4.

<sup>16</sup> Red Energy, *Interval Meter Reassignment Requirements*, June 2008, p. 2.

<sup>17</sup> Alinta AE 2008, op. cit., p. 1

<sup>18</sup> United Energy Distribution, *Interval Meter Reassignment Consultation Paper*, May 2008, p. 1.

tariffs resulting from the roll out of interval meters will be made by the distributors based on information available only to the distributors.<sup>19</sup>

The AER considers that distributors do have a relationship with customers. Under section 40A of the *Electricity Industry Act 2000* (Vic), distributors and retail customers are deemed to have entered into a distribution contract, which sets out their respective rights and obligations. Distributors also currently have obligations under the *Electricity Distribution Code* to communicate with customers about planned interruptions, guaranteed service level payments and their Customer Charter.

The AER also notes that the distributors' obligation to provide written notification to customers prior to reassignment to a TOU network tariff will not prevent retailers from notifying their customers in writing if and when retailers are ready to introduce TOU retail tariffs. The *Energy Retail Code* places obligations on retailers to communicate specifically with customers on tariff changes, including varying existing market contracts by agreement. Therefore, retailers are required to communicate directly with their customers if they decide to introduce a TOU retail tariff.

Further, the AER notes the price determination requires distributors to notify customers prior to reassignment of those customers to a TOU network tariff.

That said, the AER remains mindful to minimise potential customer confusion about changes in network tariffs, particularly in the context of a significant AMI roll-out.

In submissions, retailers and distributors expressed a willingness to cooperate in the provision of the relevant information. The AER considers that distributors could meet their obligations under the price determination by notifying customers about an impending reassignment to a TOU network tariff through the retailer. However, some retailers have indicated that they may not choose to, or be able to, transfer customers immediately to a TOU retail tariff. Therefore, in order to minimise potential customer confusion, the AER proposes the following approach:

- the distributor will provide its written notification of reassignment to a TOU network tariff to the customer's retailer
- the retailer will then notify the customer in writing within 10 business days about the distributor's notification regarding reassignment to a new TOU network tariff

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<sup>19</sup> Essential Services Commission, *Electricity Distribution Price Review 2006-10 Position Paper*, March 2005, p. 188.

This approach is reflected in the AER's proposed amendments to the *Electricity Distribution Code* and the *Energy Retail Code* as set out at Appendix A.

It is a matter for retailers to determine what additional information to provide to the customer, including whether or not the retailer intends to apply this new TOU network tariff to the customer in its retail tariff structure. The Energy Retail Code governs the information that retailers must separately provide their customers where retailers choose to amend their retail tariffs or tariff structures.

### **2.3.2 Timeframe for providing customer notification**

In the consultation paper, the ESCV sought views as to the appropriateness of a 30 business day notification period by distributors of an impending reassignment to a TOU network tariff as opposed to a 90 calendar day notification period.

The AER notes stakeholders expressed conflicting views:

- APG and Origin Energy considered more than 30 business days would be required, to allow sufficient time for customer communication to be provided and for customers to raise any issues or concerns about the new tariff and for retailers to amend their customer records, systems and, where possible, develop new retail tariff product offerings
- the SVDP/CUAC joint submission, EWOV and the Alternative Technology Association (ATA) saw merit in a 90 calendar day notification period so that customers could examine and compare alternative competitive offers upon the change to TOU tariffs<sup>20</sup>
- SP AusNet, Alinta AE (now Jemena) and United Energy Distribution were of the view that that any period longer than 30 business days would be excessive.

This issue is what maximum notification period should apply for distributors to advise their customers, through the retailers, of a pending network tariff reassignment.

This is different to the issue of whether to apply new retail tariff structures, including TOU tariffs which was raised by the retailer's and consumer representative's submissions. Although the reassignment of the customer to a TOU network tariff by the distributor will occur, as stated above, the AER notes the retailer may choose not to apply or include this network tariff in their retail tariff structures.

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<sup>20</sup> Energy and Water Ombudsmen Victoria, *Interval Meter Reassignment Requirements – Consultation Paper*, May 2008, June 2008, p. 5; Alternative Technology Association 2008, *Submission*, June 2008, pp. 1 and 2.

However, the AER is mindful that where a retailer introduces a TOU retail tariff immediately after the reassignment by the distributor to a TOU network tariff, some customers may choose to seek alternative retail tariff offerings in the market, either as a TOU tariff or a single rate tariff.

To facilitate this and to ensure retailers have sufficient advance notice about new TOU network tariffs, the AER proposes that distributors provide customers with a minimum of 45 business days' advance notice that they will be reassigned to a TOU network tariff. Retailers will in turn advise their customers of this change in network tariff no later than 10 business days after receiving the distributors notice. This will provide customers with at least 35 business days' notice that they may be reassigned to a TOU network tariff (and potentially a TOU retail tariff).

### **2.3.3 Information required as part of the customer notification**

Where an interval meter is installed and interval data is being collected by the distributor, the ESCV proposed that that the information requirements to be provided to customers should include:

- the reason for the tariff reassignment
- the commencement date of the new distribution tariff
- the distribution tariff code and applicable distribution tariff rate
- the appropriate distribution company contact details, for the customer 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.

The ESCV sought stakeholder views on whether this was sufficient and whether there was other information that the distributor could disclose to the customer prior to reassigning that customer to a TOU distribution tariff.

The AER notes submissions from the ATA, EWOV and the SVDP/CUAC did not consider the ESCV's proposed information requirements sufficient for the following reasons:

- the level of information proposed would not help small customers to understand network tariffs and that more information and explanatory material should be made available<sup>21</sup>

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<sup>21</sup> EWOV 2008, op. cit., p. 1.



- the information may be potentially inadequate as the functionality of interval meters enables other tariffs such as direct load control, demand tariffs, critical peak pricing and other dynamic pricing options<sup>22</sup>
- given that clause 2.1.25 of the price determination specifically provides that a customer who disagrees with the reassigned distribution tariff can seek reversal of the decision, the information requirements should make customers aware of this appeals process.<sup>23</sup>

The AER wants to ensure that the different roles of distributors and retailers in the AMI roll-out are clear and that customers are not confused by being provided with excess information. Therefore, the AER proposes to require the following information to be provided by the distributor to the retailer as the interval meter reassignment requirements:

- that the customer's meter is being changed to an AMI meter at least 45 business days from the date the notice is provided to the retailer and that this may lead to that customer being reassigned of a TOU network tariff from that date and
- advice to the customer about how they can obtain more information on interval meter tariffs (for example, from the Victorian Department of Primary Industries website).

The AER agrees it is not appropriate for a distribution company's contact details to form part of the notification, given that it is normal practice that queries on bundled network and retail tariffs are dealt with by the retailers. This will remain the case under the AMI rollout. The AER understands that the AMI Communication Working Group is engaging with retailers on the execution of AMI communication messages by retailers to customers.

The AER is aware of clauses 2.1.25 and 2.1.26 in the EDPR 2006-10 enabling customers to disagree with tariff assignment.

However, for the reasons discussed earlier, the AER does not believe that distributors are required to inform customers of these provisions as part of the interval meter reassignment requirements notification.

The AER's view is that retailers should provide the information that forms part of the interval meter reassignment requirements to their customers. It will be at retailers' discretion to provide any additional information to their customers about tariffs or AMI.

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<sup>22</sup> St Vincent de Paul and Consumer Utilities Advocacy Centre 2008, op. cit., p. 5.

<sup>23</sup> EWOV 2008, op. cit., p. 4.

### 3 Draft Decision

The AER considers it appropriate to allow for distributors to reassign customers to TOU network tariffs as part of the Victorian Government's interval meter rollout. However it will be at the distributors' discretion to actually reassign individual customers, or classes of customers, from existing distribution tariffs to the new TOU network tariffs.

Any proposed new network tariffs will form part of the AER's annual assessment of distributors' proposed network tariffs for the purposes of determining compliance with the relevant price controls in force.

In summary, the AER's draft decision in relation to the customer notification and information requirements is:

- reassignment to a TOU network tariff by a distributor can only occur if the distributors' network charges are set on the basis of the interval data
- the distributor is to notify a retailer in writing of the reassignment of that customer to a TOU network tariff at least 45 business days in advance (in accordance with the proposed amendments to the Distribution Code as set out at Appendix A)
- the following information is to be provided in the distributor's notification as the interval meter reassignment requirements:
  - that the customer's meter is being changed to an AMI meter at least 45 business days from the date the notice is provided to the retailer and that this may lead to that customer being reassigned to a TOU network tariff from that date and
  - advice to the customer about how they can obtain more information on interval meter tariffs (for example, from the Victorian Department of Primary Industries website).
- the retailer will notify the customer in writing within 10 business days as to the distributor's notification (in accordance with the proposed amendments to the *Energy Retail Code* as set out at Appendix A).

## Appendix A: Proposed amendments

Under the transitional arrangements in the NEVA, the AER understands the ESCV retains the function or power to make or amend codes or guidelines. Accordingly, for the reasons discussed in this draft decision, the AER proposes that the ESCV amend the Electricity Distribution Code and the Energy Retail Code to insert the proposed provisions as set out below.

The AER considers these amendments are necessary in order to impose an obligation on distributors to advise their customers, through the retailers, of the reassignment of their customers to a TOU network tariff under the Victorian Government's interval meter rollout.

### Proposed amendment to the Electricity Distribution Code (Issue no. 3, March 2008)

A new clause 9.1.14 be inserted after clause 9.1.13 of the *Electricity Distribution Code* to read as follows:

- 9.1.14 No later than 45 *business days* before reassigning a *customer* who has an annual electricity consumption of less than 20/MWh to a *time of use network tariff*, the *distributor* must provide to the *retailer* for that *customer* a notice in writing that sets out the information required by the *interval meter reassignment requirements*.

The following definitions be inserted into section 19 of the *Electricity Distribution Code* to read as follows:

*time of use network tariff* means a distribution tariff as determined in accordance with the *Commission's* or the *AER's* prevailing distribution determination (as the case may be) or transmission tariff as determined in accordance with the *AER's* prevailing transmission determination that has varying components for the time that electricity consumption occurs; and

*interval meter reassignment requirements* means the notification and information requirements published by the Commission from time to time (including under a price determination and the AER's final decision on interval meter reassignment requirements) as requirements that must be complied with prior to a distributor reassigning a customer to a time of use network tariff following the installation of an interval meter.

## **Proposed amendment to the Energy Retail Code (version 5, January 2009)**

A new clause 26.8 be inserted after clause 26.7 of the *Energy Retail Code* to read as follows:

### **26.8 Interval meter rollout**

No later than 10 *business days* after receiving a notice referred to in clause 9.1.14 of the *Electricity Distribution Code* from a *distributor*, the retailer must inform the relevant *customer* in writing about that notice.

The following definitions be inserted into section 34 of the *Energy Retail Code* to read as follows:

Electricity Distribution Code means the industry code of that name certified by the *Commission*.