



PO Box 4136
East Richmond VIC 3121
T 131 806
F 1300 661 086
W redenergy.com.au

PO Box 4136
East Richmond VIC 3121
T 1300 115 866
F 1300 136 891
W lumoenery.com.au



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General Manager
Strategic Policy and Energy Systems Innovation
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Submitted electronically: consumerpolicy@aer.gov.au

Better Bills Guideline - Version 2

Red Energy and Lumo Energy (Red and Lumo) thank the Australian Energy Regulator (AER) for undertaking a transparent approach in adopting the minor amendments relating to the implementation of the Better Bills Guideline (the guideline).

Red and Lumo strongly support the proposed amendments as published by the AER in the draft version 2 of the guideline. These amendments provide greater clarity for retailers with regards to the proposed better offer and self-read information requirements, as well as allowing for flexibility to accommodate the AEMC's change to the date stipulated in the National Energy Retail Rules (Retail Rules) by when retailers must comply with the new billing requirements.

Request for additional review & clarification

As part of its review of the guideline and subsequent release of Version 2, Red and Lumo would like to request that the AER consider clarifying its position on specific information that is currently not listed as either Tier 1 or Tier 2 information. Specifically, the following:

- Final bill message
- Meter number
- Next scheduled meter reading date

Our customers continue to tell us that this information is highly valuable to their understanding and engagement with their energy bills, irrespective of their retailer. Some of this information was previously highlighted to the AER for consideration, and whilst it was acknowledged by the AER such as the next scheduled meter reading date "*DEM (SA) further advocated for the date for the next meter read to be included on the bill as per current NERR requirements*"¹ in the Notice of Instrument: Better Bills Guideline. We note that despite this, the AER did not make a specific decision to include this information.

We request that the AER reconsiders these three items when finalising version 2 of the guideline.

Final bill message (tier 1)

¹ [Notice of Instrument: Better Bills Guideline](#), part 5.2, page 24

Under the Retail Rules, retailers are required to issue customers a 'final bill' (see: rule 35, 45, 70 and 118). The final bill provides clarity to the end of the contractual relationship between a customer and their retailer. This can occur either as a result of a customer vacating the premises or transferring to another retailer. Customers have historically provided feedback in regards to the presentation of a final bill needing to be clearly marked as that, and for it to be displayed clearly on the front page of their bill - something which we built for and implemented in our current bill design. This is common industry practice.

This simple message, 'This is your final bill', takes minimal space on a bill and is only applicable where a final bill is issued. It has however proven to be very effective - prompts customers to call up if an account is closed in error (transfer in error), or if an account was due to be closed but has not been. Displaying this information at the end of the bill, in a non prominent location, creates a risk that customers will not become aware that their account has been finalised, a trigger for them to take action if they did not expect it to be finalised or serving as confirmation that the account has been finalised as per their expectation. Only customers who expect their accounts to be closed and for their final bill to arrive **may** look for the message at the end of the bill if it is not at the front, but this is not the case for those who did not expect it to be closed. A final bill, once it is paid (if an amount is due), essentially ends the agreement with their energy retailer for that particular site and fuel - reinforcing the need for a customer to be made aware whether the bill they have received is final or not.

Therefore, to ensure customers continue to be informed in terms of the state of their account and any action taken, as well as any financial obligations they may have with their current retailer, we request that the AER allow for retailers to have the discretion of adding a note on a customers bill advising them when it is in fact their final bill.

Red and Lumo also request clarification from the AER, and inclusion in the guideline, that a best offer check and subsequent message are not required as part of the issuing of a customers final bill. When a customer finalises their account, as a result of moving out of their premises or transferring to another retailer, the better offer calculation should not be applicable. The space allocated for the better offer messaging can then effectively be used for the message advising the customer that they have been issued their final bill.

Meter number (tier 2)

The rationale for inclusion of the 'understand your bill' table is reasonable but it fails to account for customers who have multiple meters at the one property and receive one energy bill. Breaking down how the bill was calculated without being able to reference each meter will only lead to further confusion and frustration, and in turn contact needing to be made with their retailers. It takes away from customers ability to evaluate their usage patterns and make any informed decision on how to reduce their costs. We request the inclusion of meter numbers should be permitted in tier 2 of the bill, as this will help customers to understand their energy usage. Customers will also be able to identify which meter is charged at what rate, validate the individual readings for their relevant meters, and confirm that they are in fact being charged for the correct meters. This is an important factor in verifying sites, especially in crossed metering scenarios. It provides customers with the tools/information upfront which they can use to alert

their retailers of potential cross metering issues or incorrect billing as a result of incorrect meter reading provision.

Under the Better Bills Guideline, section Tier 2 information, 41(c), requires retailers to provide a *breakdown of how the amount due was calculated (the understand your bill section)*. We believe that in order to effectively show how the bill was calculated, specific items needing to be included such as meter reading provision will only be of benefit if these were shown against the relevant meter number.

We request the AER allow for meter numbers to be included in tier 2 information of a customer's bill. This information serves customers to understand how their bill was calculated especially if they have multiple meters present. It serves as a mechanism to proactively identify any potential cross metering errors before these are exacerbated over time. And it assists customers in validating the reading for the meter they are being charged for, especially when multiple meters are present (apartment complex).

Next scheduled meter reading date (tier 2)

The inclusion of the estimated date of the next scheduled reading date is a current requirement under subrule 25(1)(m) of the National Energy Retail Rules and to date, we have seen no evidence that this information undermines customers' ability to understand their bills. Moreover, we continue to see significant value in its inclusion.

Estimated date of next scheduled read is important information where consumers must take action to enable a future meter read, by providing access, for example. This reduces the likelihood of an estimated read, which is a common cause of customer dissatisfaction with their bills. Though we agree that the need for a next scheduled read date may become less relevant over time, as more meters with remote capability are rolled out. However those who do still require physical attendance still benefit from knowing when their next meter read will be scheduled for. Giving them the ability to plan and arrange access in advance, or even provide the information if they are aware they will be away during the reading period.

Though we understand that the guideline permits retailers to include this information as 'additional information', we do not agree that this is where it ought to be located. Doing so reduces visibility of the next scheduled read date, and does not align with the design principle of the guideline - clause 19(b) '*group and present related information together as provided for by this Guideline*'. The next scheduled read should be grouped under tier 2 as it provides customers with a view of their last read date, and when their next read date will likely take place, being able to ascertain the potential next billing period.

About Red and Lumo

We are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in Victoria, New South Wales, Queensland, South Australia and in the ACT to over 1.2 million customers.

Red and Lumo thank the AER for the opportunity to respond to its initial consultation. Should

you wish to discuss this submission, please call Christophe Bechia, Regulatory Manager on

██████████.

Yours sincerely,



Stefanie Monaco
Manager - Regulatory Affairs
Red Energy Pty Ltd
Lumo Energy (SA) Pty Ltd