

Mr Chris Pattas  
General Manager  
Australian Energy Regulator  
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Submitted by email to [NSWACTelectricity@ aer.gov.au](mailto:NSWACTelectricity@ aer.gov.au)

25 March 2015

**RE: Consultation Paper – Alternative approach to the recovery of the residual metering capital costs through an alternative control services annual charge**

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Dear Mr Pattas,

Thank you for the opportunity to comment on the Consultation Paper for the proposed change in approach to dealing with the residual value of meters when a customer transfers to a new metering provider. As the peak body for the community services sector in South Australia, SACOSS has a long-standing interest in the delivery of essential services. Our research shows that the cost of basic necessities like electricity impacts greatly and disproportionately on vulnerable and disadvantaged people. Our advocacy is informed by our members; organisations and individuals who witness these impacts in our community.

SACOSS made a detailed submission to the AER's Issues Paper on the SA Power Networks (SAPN) regulatory proposal and discussed metering issues at some length (s7.1 pp.34-36). Our submission noted the lack of clear policy guidance for this subject matter but gave initial support to the AER's approach in the NSW and ACT Draft Determinations.

We note that the two Options presented in the consultation paper aim to deliver very similar outcomes to that proposed in the Draft Determinations. Our views on the options presented are that Option 1 (where the whole regulated metering asset base is recovered from all customers regardless of metering provider) is preferable. We have formed this view on the basis that customers churning to a new metering provider will be less able to avoid the residual costs of the meter they no longer require. This is also the simplest of the two options to administer.

Our preference would have been to see worked examples for the SA case as well as the preliminary data from Ausgrid (Consultation Paper p.8) and we would welcome the inclusion.

We thank you in advance for your consideration of our comments. If you have any questions relating to the above, please contact SACOSS Senior Policy Officer, Jo De Silva on 8305 4211 or via [jo@sacoss.org.au](mailto:jo@sacoss.org.au).

Yours sincerely,

Ross Womersley  
Executive Director