



23 December 2010

General Manager, Markets Branch  
Australian Energy Regulator  
GPO Box 520  
Melbourne VIC 3001

Dear Sir,

**Re: AER Retail Market Performance Reporting Position Paper**

Aurora Energy thanks the Australian Energy Regulator (AER) for the opportunity to comment on this Position Paper.

As you are aware Aurora Energy has a significant number of customers in Tasmania that have opted to use prepayment metering, and have on a smaller scale, made prepayment metering available in South Australia. We offer the following comments with regard to the proposed indicators regarding prepayment meters.

**A.5.1.3 Number of PPM's removed due to payment difficulties**

For the majority of prepayment customers in Tasmania we currently do not have the ability to report this indicator as the functionality is not available on our (40,000) older Siemens prepayment meters to report payment difficulties as evidenced by the number and duration of self disconnections. For prepayment meters installed after 1 January 2008 this functionality is available.

Under the Tasmanian Electricity Code we are currently obliged to offer the free of charge removal of a prepayment meter when a customer reports he or she is having payment difficulties. The additional Tasmanian jurisdiction reporting requirement of identifying customers that have disconnected three times or more in any three month period for longer than 240 minutes on each

occasion, applies only to 'new' prepayment meters installed after 1 January 2008.

#### **A.5.1.4 Number of PPM customers using a PPM system capable of detecting and reporting self-disconnections**

It is not possible to report on 'every' instance of self-disconnection. The smart card functionality of the Actaris Payguard units used by Aurora Energy provides for disconnection information to be captured on a card upon insertion in the prepayment meter, and returned to Aurora's information systems when customers complete their next point of sale transactions. Customers may self-disconnect for short periods a number of times between card insertions. For example a disconnection event may be recorded, but actual supply remains available because meter credit has expired during a period of prohibited disconnection. A further event may occur before a customer invokes the meters emergency credit facility. The duration of these individual events cannot be captured.

#### **A.5.1.5 Total number of PPM self disconnection events**

The Tasmanian Electricity Code requires retailer to report and offer options to prepayment meter customers that self disconnect three or more times in any three month period for longer than 240 minutes on each occasion.

Aurora can report disconnection events for customers using 'new' prepayment meters, observing the limitations outlined in response to A.5.1.4.

It should be noted that a self disconnection event by itself does not identify a customers in hardship.

It is suggested that above indicator required under the Tasmanian Electricity Code may be a more appropriate indicator than that currently being proposed.

#### **A.5.1.6 Total number of PPM customers self disconnected**

As per the above, a report can only be provided for customers using 'new' prepayment meters.

#### **A.5.1.7 Average duration of self –disconnection events**

As per the above, a report can only be provided for customers using 'new' prepayment meters.

As under A5.1.4, disconnection information is captured on a card upon insertion in the prepayment meter and returned to Aurora's information systems when customers complete their next point of sale transactions. The duration of every event is not captured.



Aurora does not feel that this is a relevant indicator as the reason for a self disconnect is not clear. For example intermittently used holiday homes or shacks where the customer decides not to keep supply available, or rental units where supply is allowed to disconnect because there is no current tenant will be considered in the total disconnection time. These customers have allowed disconnection to occur for reasons other than payment difficulties or hardship.

#### **A.5.1.8 Duration of self-disconnection events**

As for A5.1.7 above.

Should you wish to discuss the details of this submission further, please contact me on (03) 6237 3348 and I can facilitate any necessary clarification with Aurora's prepayment metering team.

Yours Sincerely

Peter Dane  
Manager Marketing & Regulation