

9 June 2016

Ms Anne Pearson
Chief Executive
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Anne

Ref: ERC0196

Thank you for the opportunity to comment on the *Using estimated reads for customer transfers* consultation paper.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

EWON believes that this consultation paper provides a positive improvement to the transfer process. This rule change should improve customer outcomes and thus reduce the number of customers who need to approach their retailer and/or EWON complaining about delays in transfers.

Our views are drawn from the complaints we receive and deal with. While not addressing every question posed by the consultation paper, our response focuses on those questions which relate to our work.

Consumer protection

The situation proposed in the consultation paper where estimated meter reads would be allowed for a transfer are:

- the customer is changing retailers without moving house;
- the customer has given explicit informed consent to the use of an estimated read; and
- the customer's previous meter read was an actual read.

EWON considers that requiring all three elements provides customers with appropriate protection.

The consultation paper asks if the rules should specify the matters a retailer must disclose to a customer prior to a final bill based on an estimated read, and if so, what matters should be included in the rule for disclosure. EWON considers that the explicit informed consent provision is the essential consumer protection and that the requirements for that consent should be specified in the rules. The requirement for the incoming retailer to rectify any over or under charge is an essential aspect of the process to be specifically explained, along with an explanation that the customer will only pay for energy actually consumed. As well it should be specified that a customer can dispute the charges, including accessing the relevant Ombudsman scheme.

EWON believes that the customer's explicit informed consent for a transfer using an estimated read should be gained and recorded separately from the explicit informed consent given when accepting the terms and conditions of the new contract. If the consent for the transfer on an estimated read is buried within a long range of contract terms and conditions then it is more likely that the customer may not genuinely understand the transfer process.

The estimation process

The rule change request proposes that AEMO develop and consult on a new procedure for estimated reads for the purposes of providing the final bill upon transfer, and that the current rules governing estimated reads not apply. EWON often receives complaints about over estimations under the current procedures and notes that customer self reads are the least used of the allowable methods for estimation. Indeed only one of the three electricity networks in NSW will accept self reads for the purpose of estimations. EWON endorses the approach of requiring AEMO to develop a new process and will participate in the consultation associated with this approach.

If you would like to discuss this matter further, please contact me or Rory Campbell, Manager Policy, on (02) 8218 5266.

Yours sincerely



Janine Young
Ombudsman
Energy & Water Ombudsman NSW