

7 November 2019

Ms Suzanne Falvi
Acting Chief Executive
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Suzanne

AEMC Reference RRC0031 – Reducing customers' switching times

Thank you for the opportunity to comment on the AEMC's *Draft Rule Determination – National Electricity Amendment (Reducing Customers' Switching Times) Rule*.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers. EWON receives and responds to complaints from customers on metering work and electricity supply interruption issues relating to retailer and distributor activities. Our comments are informed by our investigations into these complaints, and through our community outreach and stakeholder engagement activities.

We have only responded to those questions in the draft determination that align with issues customers raise with EWON, or with our organisation's operations as they relate to this rule change.

EWON supports the AEMC's draft rule determination and the amendments initially proposed by the Australian Energy Market Operator (AEMO), and considers it addresses the feedback and concerns raised in EWON's submission.

EWON agrees with the AEMC's position that these changes will facilitate the implementation of the AEMO's high level design by removing elements of the Rules which prevent a faster transfer process and clarifying existing provisions, specifically:

- amending clause 7.8.9(e) of the NER to move the provisions regarding installation of replacement metering installation from the Market Settlement and Transfer Solution (MSATS) Procedures to the Meter Churn Procedures
- deleting clause 7.8.9(e)(1) of the NER to facilitate a two-day customer transfer process and to remove any ambiguity between clauses 7.8.9(e)(1) and clause 7.6.2 regarding metering coordinator appointments by the financially responsible market participant
- amending Clause 4.2(a)(iv) of the model terms and conditions for standard retail contracts, to clarify when a contract ends, in circumstances where a customer transfers to the same retailer's market contract, or to another retailer.

EWON also supports the AEMC's decision to not adopt the proposed changes to:

- Clause 21(1) and (3A) of the NERR regarding meter read types and use of metering data
- Clause 21(4), 30, 31 of the NERR regarding the overcharging and undercharging processes
- Clause 4.2(b) of the model terms and conditions for standard retail contracts to facilitate transfers on estimated meter reads.

The proposal to remove features of the customer transfer process, when the losing retailer is notified in advance of a customer changing retailer, should facilitate competition. It will encourage retailers to proactively engage with customers to ensure they are on the best market offer, rather than reserving more competitive offers to retain customers who seek to transfer away.

EWON appreciates the AEMC's acknowledgement that this may increase instances of transfers in error and transfers without consent in circumstances where a customer would have only become aware of the unauthorised transfer due to the incumbent retailer's retention activity. This is of particular interest as EWON received over 1,000 complaints about transfers in error/without consent in 2018/19 (see EWON's [Annual Report](#)).

We welcome the AEMC's offer to work with industry and jurisdictional ombudsman schemes to monitor any increase in complaints about transfers and support the AEMO's proposal to remove the ability for retailers to object to retrospective transfers when a customer was transferred away in error.

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

Yours sincerely



Janine Young
Ombudsman
Energy & Water Ombudsman NSW