



21 May 2010

By email: smartmeters@esc.vic.gov.au

Dr Ron Ben-David
Chairperson
Essential Services Commission
2nd Floor, 35 Spring Street
Melbourne VIC 3000

Dear Dr Ben-David,

Regulatory Review – Smart Meters

The Financial and Consumer Rights Council (**FCRC**) thanks the Essential Services Commission (**ESC**) for the opportunity to provide comment on the ESC's review of energy regulations to accommodate the operation of smart meters. There are two key issues detailed in the *Issues Paper* which this submission shall make comment on, relating to the customer billing cycle and remote disconnection and reconnection arrangements.

In regards to customer bills, we would support the introduction of monthly bills for customers. This would enable customers to more closely monitor their usage, and more frequent, lower bills can assist customers with their budgeting. The ability to budget is especially important for those customers who are on negotiated payment plans through the retailer's hardship policy. As highlighted in the *Issues Paper*, we do advocate for the retention of the regulation that there is a minimum of 12 business days to pay a bill before debt recovery action is initiated.

A monthly customer billing cycle would also enable retailers to more readily identify customers experiencing payment difficulties and prevent the accumulation of large debts.

Given the stated technological benefits of smart meters and the removal of the need for manual meter reads, it is not evident why there would be a need for usage on customer bills to be based upon estimate readings. With these developments in mind, we agree with the statements made by St Vincent De Paul and the Consumer Utilities Advocacy Centre to abolish the issuing of bills based on estimate readings.


A final comment that we would like to make regarding customer billing relates to the graphical information presented on the bill. The use of graphical data enables a customer to easily view usage history over time, and should be retained with the introduction of smart meters and time of use tariffs. Based on the examples provided, we would support the introduction of billing data similar to that of EnergyAustralia as depicted in Figure 2 of the *Issues Paper*.

We are very concerned about the impact of remote disconnection on customers, particularly vulnerable customers. The concern is that the remote nature of disconnection will result in an increase in the number of customers being disconnected as the process is no longer direct and personal. Energy disconnection is a serious matter, and should be handled with relatively serious and careful approach. We offer in principle support for the proposal by St Vincent De Paul to require a retailer to make two notification attempts during the 24 hour period prior to disconnection. However, regardless of the perceived technological benefits of smart meters, we do not believe that energy disconnections should occur remotely at all. There should always be a requirement upon the retailer to send a delegate to visit a customer's property prior to the final disconnection to ensure that the health, safety and awareness of the customer are a priority.

Thank you again for the opportunity to provide suggestions on the areas to be examined in the review. We look forward to the review's outcome.

Should you have any questions regarding this submission, please contact Kristen Gobbo at the FCRC on (03) 9663 2000.

Yours sincerely



Richard Foster
Chief Executive Officer



Kristen Gobbo
Policy and Public Affairs Officer