



21 May 2010

Ms Wendy Heath
Regulatory Review - Smart Meters
Essential Services Commission
Level 2, 35 Spring Street
Melbourne VIC 3000

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

Dear Wendy,

ORIGIN SUBMISSION TO SMART METERS ISSUES PAPER

Origin welcomes the opportunity to provide views on the Commission's *Smart Meters Issues Paper*.

We agree that this is an important time to understand and assess the consumer impacts of the smart meter programme in Victoria, and fully support this regulatory work being undertaken to ensure consumer interests are accounted for in what has been to this point (perhaps necessarily) a focus on a rather technology-driven approach.

However, we do suggest the Commission takes a cautious approach to prescribing detail at this stage. Ideally, many of the issues covered by the Commission should remain as principles rather than mandated formats until there is real experience with smart meter environment and there is a clearer sense of what different customers want and if, in fact, there is such thing as a 'standard' of information provision.

We would be happy to discuss any aspect of this submission further with the Commission, and at your convenience.

If you have any queries about this submission please contact Dr Fiona Simon in the first instance on (03) 8665 7865.

Yours sincerely

A handwritten signature in cursive script that reads "B J Hughson".

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*Regulatory Review - Smart Meters
Issues Paper*
Submission of Origin

May 2010

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Executive Summary

Origin welcomes the opportunity to provide views on the Commission's *Smart Meters Issues Paper*. It is certainly vital that the consumer impacts of the smart meter - or in Victoria, AMI - programme are understood, and Origin supports this policy focus and regulatory work being undertaken to ensure consumer interests are accounted for in what has been to this point (perhaps necessarily) a focus on a rather technology-driven approach.

As an overall point, Origin seeks a cautious approach to regulatory intervention or standard setting at this stage.

It is well understood that smart meters will assist consumers to better manage their electricity use by allowing access to more information about usage patterns. In doing so, smart meters will reflect the broader and growing trend to consumer control enabled by the provision of more advanced technologies. For instance, it will likely mean a shift from the traditional focus on the bill as a primary source of information for the customer to new forms of on-line presentation, in-home displays or smart phone channels of communication. There may be capacity for new relationships formed through customer representatives and other third parties focussed on added customer services and sustainability.

These developments will only be possible if the regulatory settings enable them.

There is immense potential for innovation and genuine customer benefits being realised from the AMI programme, but at this early stage we are yet to identify which tools, information and programmes will most effectively meet consumer needs. This will only come to light after detailed customer consumption data have been collected and analysed across the distribution areas, which should be possible from late 2011.

Origin suggests that many of the issues covered by the Commission should remain as principles rather than mandated formats until there is real experience with smart meter environment and there is a clearer sense of what different customers want and if, in fact, there is such thing as a 'standard' of information provision.

We have more detailed concerns that underpin this general statement, as follows:

1. **Consumer outcomes should drive the policy and regulatory approach**, aligning customer needs to what retailers can and are obliged to provide and to what distributors do to support the market and manage supply issues. The process cannot be driven the other way around, and retailers cannot be expected to bear the risk of misaligned network and customer needs. Failure to ensure an alignment between customer needs and industry will only introduce risk and inefficiency into the market to the detriment of *all* stakeholders.
2. **This is new world and requires a new perspective**. The introduction of smart meters under the AMI programme is the first step toward a more engaged, smarter energy market. More specifically, the smart meter environment is all about assessing the complexity of customer usage and customer preferences in a way that is not possible with the technology used to date.

What this means is that there is a genuine opportunity for retailers to listen to their customers, observe their lifestyle choices and to create innovative products that educate and inform, and so work toward effecting consumer behaviour change to allow customers to better manage their electricity usage and to reduce pressure on the supply network. This opportunity for innovation is in fact much higher than it was before FRC, as even with the opening of the market the legacy systems and processes (such as quarterly billing on manually read accumulation meters) meant retailers were limited in what they could do to engage with customers and limited in how they could understand customer needs and develop products and services to meet them.

There is a risk that maintaining a perspective that links explicitly to the current/old style of metering and billing might impede the innovations that customers actually want. Furthermore, maintenance of past approaches to regulatory oversight will reduce the benefits of the AMI roll out itself, generating community-wide lost opportunity costs. As such, we caution the Commission in prescribing the detail of much of the

material in the Issues Paper before more is known about the data, what the data tells us, the accuracy of the data and what different customer types actually want from their retailer.

3. **This environment is about effecting behaviour change and there may not be a 'standard' consumer.** The smart meter environment provides for a significant shift from data analysis at the standard consumption level to a more nuanced and multi-dimensional approach that takes into account when a customer uses energy, and the various options available to a customer to change the dollar value of their energy bill even if their total consumption does not change.

Further, also as noted above, paper-based bills may not be the preferred mode of contact for many customers once they have become accustomed to the new capabilities. The notion of a one-size-fits-all standard or information template becomes redundant.

4. **Many aspects of the AMI programme are beyond retailers' control.** Many of the issues addressed in the Commission's Issues Paper come back to data that retailers do not own, or issues that other regulations have a role in managing, such as the Metrology Procedure.

Given this, we caution the Commission in prescribing an approach to customer protections that may not be supported by underlying systems or align with how responsibility has been allocated from a technical and market perspective.

We have provided a summary of our views on the key issues as below.

Topic	Origin's view
Vulnerable customers	Support the proposal that no specific rule changes are required. We also note that vulnerable customer needs can be met, particularly in avoiding debt spiral through our more immediate access to consumption data.
Verifying the accuracy of the bill	Support the proposal to include the consumption by tariff segment, total consumption and tariffs for the billing period, as long as format is not prescribed. However, the capacity for an index read as intended is not there, and discrepancies arising from substitutes will also be confusing to customers. Customers will need to be educated to assess their information in other ways.
Estimated and substituted data on bills	The terms used are not consistent with market rules, but we support customers being advised when their bill has a material number of non-actual reads ('estimates' in customer terms, 'substitutes' in market terms). We need to see what the data is like first to be sure of what is material. A default tariff is entirely unnecessary, as meter or communications failures will be resolved as data issues, not related to the tariff. The intent is not clear but we suggest the default tariff idea is based on an incorrect view of the market.
Customer billing cycle	We would support retail monthly billing as a default option (i.e. with no EIC required - the 'opt out' model) at a later point in time, once the systems are in place and customer numbers warrant it. This should not be before 2012. We note that the collection cycle should be aligned to this monthly cycle.
Graphical information on the bill	We do not support a prescribed format for graphs - customer preferences need to be understood before we can make guesses about what is a minimum standard.
Notification of variations to tariffs	We support notice to customers about impending changes to tariff structures, but require appropriate notice from distributors as well.
Access to historical billing data	We support the proposed approach for billing data for the previous two years to be available per tariff component.
Access to metering data	Distributors should not have the right to provide metering data to customers - this is the role of the retailer. Metering data should be kept for two years.
Shopping around for a better offer	We do not support any of the options provided. Price regulation as suggested is completely inappropriate, and the notions of 'standard' and 'average' are, at this point at least, meaningless as we have no data yet about customer usage or preferences.
Prompt reconnection and disconnection service	We do not agree that the time for distributors to disconnect and reconnect premises should be reduced to less than one day.
Customer protection	We support advice to the customer saying they may be remotely disconnected but see

Topic	Origin's view
under disconnection	no policy argument for increased obligations re attempts to notify the customer as suggested by St Vincent de Paul.
Information to new customers after remote disconnection	We support the suggestion to have a sticker inside the meter box with the relevant information about the distributor.
Safety considerations	We support the view that safety considerations are not impacted by the above, and also that ESV is addressing the relevant issues.
Frequency of network billing	Origin is concerned with the wealth transfer to distributors without a consequential reduction in distribution UoS charges. Origin will seek to achieve a suitable outcome by negotiation of the short term but we urge the Commission to amend the UoSA to ensure a fairer long term outcome.

1. Introduction and guiding principles

Origin welcomes the opportunity to provide views on the Commission's *Smart Meters Issues Paper*. It is certainly vital that the consumer impacts of the smart meter - or in Victoria, AMI - programme are understood, and Origin supports this policy focus and regulatory work being undertaken to ensure consumer interests are accounted for in what has been to this point (perhaps necessarily) a focus on a rather technology-driven approach.

Origin notes that the Commission proposes that the following more specific principles should guide this review, in addition to its broader objectives:

- the regulatory amendments will not limit or constrain the innovation that is available from smart meters and will continue to facilitate competition in the Victorian energy retail market
- the regulatory framework assists customers to benefit from smart meters, by ensuring that consumption and pricing information is transparent, timely and useful
- customers, particularly vulnerable customers, will continue to be protected by the regulatory framework
- the financial costs of supporting new systems and processes are properly allocated between retailers and distributors, where appropriate.

We are satisfied that these guiding principles are sufficient and capture the relevant issues from the perspective of Origin and its customers.

We particularly draw attention to the first dot point. While we recognise that the Commission needs to understand how consumer protections may change in the smart meter environment, Origin continues to be concerned that prescribing outcomes at this stage will limit the degree to which we can use the smart meter technology to innovate and to respond to as yet undetermined customer needs.

There is immense potential for innovation and genuine customer benefits being realised from the AMI programme, but at this early stage we are yet to identify which tools, information and programmes will most effectively meet consumer needs, including the need to sustaining customer interest and engagement. This will only come to light after detailed customer consumption data have been collected and analysed across the distribution areas, which should be possible from late 2011.

As such, Origin suggests that many of the issues covered by the Commission should remain as principles rather than mandated formats until there is real experience with smart meter environment and there is a clearer sense of what different customers want and if, in fact, there is such thing as a 'standard' of information provision.

We have more detailed concerns that underpin this general statement, as follows:

1. Consumer outcomes are paramount, which then direct retailer and distributor effort

One of the stated aims of the AMI programme is to keep infrastructure costs down in the future, primarily through the changing of the profile of energy demand. Obviously managing energy demand differently requires changing customer behaviour. Realising the benefits of this element of the AMI programme therefore depends on policy, regulation, technology and customer interactions that are customer focussed.

As the primary focus of attention for the government and industry, a range of customer needs must be understood and addressed. The outcomes of this analysis should be what then drive the policy and regulatory approach, aligning customer needs to what retailers can and are obliged to provide and to what distributors do to support the market and manage supply issues. The process cannot be driven the other way around, and retailers cannot be expected to bear the risk of misaligned network and customer needs. Failure to ensure an alignment between customer needs and industry will only introduce risk and inefficiency into the market to the detriment of *all* stakeholders.

2. This is new world and requires a new perspective

Policy trends, growing environmental concerns, increasing energy prices and the emergence of personal energy technology such as solar are converging to create a new form of energy customer in the future. The introduction of smart meters under the AMI programme is the first step toward a more engaged, smarter energy market. More specifically, the smart meter environment is all about assessing the complexity of customer usage and customer preferences in a way that is not possible with the technology used to date.

The historic way of doing things is an artefact of legacy systems and processes, not of the 'right' way of doing things or of a particularly customer focussed or customer friendly approach. The additional 4380 data points that we will receive about a customer's electricity use over a three month period, and the additional time of use dimension that these data provide, mean that we can finally understand what differentiates customers and their needs. Thus we can then address ourselves as an industry and as separate retailers to identifying and meeting customer needs in ways that we, quite frankly, cannot do at the moment.

What this means is that there is a genuine opportunity for retailers to listen to their customers, observe their lifestyle choices and to create innovative products that educate and inform, and so work toward effecting consumer behaviour change to allow customers to better manage their electricity usage and to reduce pressure on the supply network. This opportunity for innovation is in fact much higher than it was before FRC, as even with the opening of the market the legacy systems and processes (such as quarterly billing on manually read accumulation meters) meant retailers were limited in what they could do to engage with customers and limited in how they could understand customer needs and develop products and services to meet them.

There is a risk that maintaining a perspective that links explicitly to the current/old style of metering and billing might impede the innovations that customers actually want. Furthermore, maintenance of past approaches to regulatory oversight will reduce the benefits of the AMI roll out itself, generating community-wide lost opportunity costs. As such, we caution the Commission in prescribing the detail of much of the material in the Issues Paper before more is known about the data, what the data tell us, the accuracy of the data and what different customer types actually want from their retailer.

Origin is currently undertaking activities to review and understand customer knowledge of energy consumption and how it is measured, as well as the appeal of products and services. Fundamentally, since customers do not have understanding of what a smart meter environment feels like, it is challenging to gauge from them what information is likely most useful. In light of this; there are many customer preference questions to be answered, but the answers will take time, and should not be presumed at this stage. For example:

- Access
 - Currently, energy consumption information is *given* rather than accessed by customers - do customers still want to receive all consumption information or do they prefer to have access to the information when they need it only?
 - What level of information do customers *expect* to be given as a standard; what level informs and what level merely confuses?
 - What technologies will be used by different customer groups? What level of accessibility to these technologies to most customers have?
 - Beyond paper - what are the alternative access points retailers will need to provide to give all customers access to greater detail on their consumption (e.g. assistance for elderly)? Other industries have already moved to online billing as a preference, this is fast becoming the norm.

- Timing
 - Do customers want to access consumption information daily, weekly, or monthly? Presently customers receive energy consumption information in line with their billing cycle - will the expectation change in view of the availability of considerably more data?
 - What period of information do customers want access to - do they want to see their consumption over periods such as month on month, quarterly or weekly?
 - Do time periods make sense to the way in which customers consume or understand energy use given the data is continuous in its nature?
 - What are customer expectations of historical data?
- Content
 - How can information be presented in a way that customers can understand and make behavioural change or consider product alternatives?
 - Is static graphical information most effective? Will customers want to drill down? How will they want to navigate around the data in a manageable way?
 - What other practical forms of presentation can the data be delivered, given there will be large quantities of meter data (e.g. tabular versus graphical, graphical types)?
 - What content do customers want to see (e.g. usage versus financial/cost)?
 - How much energy consumption detail makes sense to customers? What level of detail is expected to support understanding?
 - What type of comparisons do customers want to be able to make:
 - Compare their behaviour to other households/social groups/neighbourhood (etc.)
 - Compare behaviour to previous consumption periods?
- Customer support
 - How can we help customers interpret data for knowledge and understanding?
 - What additional support do customers want or need to help understand the information?
 - How do customers want to access that support? What technologies will they want to use (e.g. phone, online)
 - Do customers want to be involved or are they simply interested in cost reduction? Are they driven by environmental concern?

Origin is committed to assisting the customer in understanding the changes brought about by the introduction of smart metering, and customer research has commenced to better understand how we can best do so. Whilst customer segmentation goes some way, it cannot uncover the driver for the customer's change of behaviour - that is, whether it is environmental or budget driven. Technological developments, including Home Area Network (HAN), portals such as Google Powermeter and IHDs all provide better visibility of use but we need to understand if they support a long term behavioural change, and overcome the apparent reluctance to change existing lifestyles that has emerged from our research.

Undoubtedly, we are driving for sustained change but do not have the environment yet to explore the best ways of deriving this. Research from US and UK is useful for this purpose; however, the reaction of Australian consumers, over a period of time, will be the only concrete evidence of effectiveness of such initiatives.

3. Effecting behaviour change and our understanding of 'standard'

As noted above, the new smart meter environment provides for a significant shift from data analysis at the standard consumption level to a more nuanced and multi-dimensional approach that takes into account when a customer uses energy, and the various options available to a customer to change the dollar value of their energy bill

even if their total consumption does not change. Further, also as noted above, paper-based bills may not be the preferred mode of contact for many customers once they have become accustomed to the new capabilities.

What this means is that many of issues about information provision raised by the Commission will change in their relative importance, and this will happen for different customers over time. What was previously a largely homogenous group of customers will naturally split into customer groups with varying degrees of engagement and with different priorities in how they engage. With time of use (ToU) tariffs, total consumption will be less important to many customers than *when* they used energy. The information required to meet a customer's needs from their bill will vary between people who seek to shift load and those who seek to reduce load as a primary measure.

For example, while a graph may be a key source of information for one customer, it may be irrelevant for another customer because they use our on-line services to present their consumption data in their preferred form. Or the graph of daily usage that suits one customer's tariff structure, billing cycle and level of engagement may be inadequate for another customer who prefers to see comparison points across previous months and years. The notion of a one-size-fits-all standard or information template becomes redundant.

Even worse, maintaining a perspective that standards can be decided at this point is risky to all stakeholders. Energy retailers need to be able to respond to, and meet these as yet undefined customer needs, and this means doing whatever is necessary to help customers understand the environment, and their own energy use (and capacity to reduce their bills). Given that we do not as yet know what this will look like, it is highly unlikely that a regulatory decision at this stage is going to pick a 'winner'.

4. Many aspects of the AMI programme are beyond retailers' control

It should be noted that the various AMI systems and processes are largely outside retailers' control - many of the issues addressed in the Commission's Issues Paper come back to data that retailers do not own, or issues that other regulations have a role in managing, such as the Metrology Procedure.

Given this, we caution the Commission in prescribing an approach to customer protections that may not be supported by underlying systems or align with how responsibility has been allocated from a technical and market perspective.

Therefore, any changes to regulation also need to allocate responsibility according to the degree to which retailers and distributors can respectively manage risks and influence outcomes in the mandated roll out environment. In the Victorian situation, for instance, this ability is constrained by the nature of the derogation from the Rules, the exclusive mandate for the roll-out and the cost recovery mechanism.

As a further point, it is our view that a key enabler of providing customers with visibility of usage is the HAN, and currently the process for us to connect devices such as in-home-displays (IHD) is not clear or defined. While HAN and IHD devices may be supported by the ZigBee chip in minimum functionality, there are no B2B protocols or service levels in place that would allow a retailer to provide a customer (today) with an IHD (for example) and have this device automatically and securely register and bind to an AMI communication network via the meter. In relation to home automation via HAN and IHDs, the minimum Service Level Specification does not provide for services from distributors to retailers at this point in time.

2. Key Issues for consideration

2.1 Vulnerable customers

Issue for comment

Are there enhancements to the current regulations which are necessary for vulnerable customers arising from the implementation of smart meters?

While protection of vulnerable customers is essential, this should not be achieved by mandating and limiting the opportunities for retailers and their customers to develop new solutions to new and old problems. Enabling the consumer and community benefits of smart meters to be fully realised must be the focus of the regulatory changes, and protection of vulnerable customers seen as a critical adjunct to, but not the purpose of delivering on this most important investment by the community.

Origin agrees with the Commission that there are no enhancements to the current regulations that are necessary for vulnerable customers arising from the implementation of smart meters. We agree with the proposal under section 3.3.2 that disconnection warnings for customers be amended so that customers are aware they may be remotely disconnected.

This is not to say, however, that vulnerable customers will not have specific needs, or that these will not be addressed by retailers. As is usually the case, however, the challenge is to understand what we are talking about and develop targeted approaches.

Defining our terms

'Vulnerability' as a term is about the increased capacity of some customers (relative to others) to find themselves in a disadvantageous position when engaging with the market, relative to other people. There are generally two main categories of vulnerable customer: those for whom bill affordability is the primary problem, and those people who have a limited capacity to understand what they need to do for meaningful engagement with the market.

While this broad definition makes intuitive sense it is remarkably immune to definition in any operational sense. 'Vulnerability' is defined largely around the situation a person finds him or herself in, and how that situation is affected by their relative lack of capacity either with finances, resources or understanding. People shift in and out of vulnerable situations and there is a spectrum of vulnerability for any one issue. As such, what this means is that we can make assumptions about disadvantage, but none of this is tangible until it happens (which by definition is then too late to avoid).

Given the above, understanding the needs of vulnerable customers as a specific subset of the general customer population is problematic, and meeting those needs proactively in a defined operational sense is impossible, at least for the general group. Vulnerable customer needs are generally, in the first instance, the same needs as for the mainstream population. Needs beyond that are determined by the individual, where further support can be provided, such as through hardship programmes.

Origin believes that with the presence of hardship programmes and marketing requirements around consent the regulatory requirements to protect vulnerable customers are in place. The issue for the industry and community will be how to best ensure that the information and programmes provided to support customers remain relevant and meaningful to vulnerable customers in the smart meter environment. We suggest that, as with our points above about other customers, we will not know that until the market has had a chance to develop further.

Educating the community

It is important to note that community education has a significant role, particularly for vulnerable customers. Retailers can advise customers of their options but nothing can replace the need for comprehensive government and groups such as financial advisors to support customers to grasp the changes and what they mean, and where they can access information.

We would like to suggest that vulnerable customers' needs can also be met by better enabling their representatives to engage with the market. While there is currently no obvious impediment to an enhanced use of intermediaries, we raise this as an issue that may require review in a year or so. The smart meter environment may well throw up opportunities for community groups and welfare agencies that were not there before, particularly where the issue is based more around helping customers who are not on-line to help them understand their options and benefit from services. We hope to work more with customer intermediaries as well, so community representatives and others might be better educated themselves to talk to their constituents about their options.

Reduced chance for debt to spiral out of control

Smart meters actually promote the support provided to customers who may be experiencing financial hardship, as with the increased information available about customer usage we have a far better means of understanding how we can help customers with their energy consumption to reduce bills. A more frequent billing cycle, as addressed below, will also prevent customers from building up unmanageable bills. The technology will provide for new means of helping customers budget and understand usage, and vulnerable customers will not be left out.

Internet access across the community

In discussing vulnerability from an information perspective, people's use of the internet and mobile phone technology tend to come up as clear differentiators, and potentially defining aspects, of who will and will not benefit the most from the new smart meter environment. It is indeed likely that those who have access to the internet will initially be the people who can access the range of information services likely to evolve, and so it is worth assessing who those people are.

We note that the 2009 Sensis® e-Business Report found that the uptake of technology in Australian households is high, where some 90 per cent of households reported having a computer of some description, with 85 per cent of households being internet enabled and 76 per cent having broadband connections. Overall, 61 per cent of Australians had made purchases online in the past year. Further, mobile penetration is high amongst Australian consumers (91 per cent report owning a mobile phone), and on average, more than one in four Australians now use their mobile phone to access the internet.

These data show that the majority of households have at least the technical capacity to engage with the smart meter environment in the full sense of the word. That is, if they are interested, these people will be able to access self-service retail products on-line, including the range of data presentations we plan to develop.

The smaller number of households without internet access cannot be forgotten of course, and we will be working to develop effective means of communicating with those customers, which is why the format of bills is also so important (and why we still cannot prescribe outcomes ahead of knowing what 'works').

2.2 Information and informed consent

2.2.1 Reviewing the bill

Verifying the accuracy of the bill

Issues for comment

Will the proposed approach to including the consumption by tariff segment, total consumption and tariffs for the billing period ensure customers maintain their ability to confirm the accuracy of the bill?

What are the implications for cost, feasibility and information value to customers of the options for the meter's total accumulated consumption on the bill?

Origin supports the Commission's proposal to include the consumption by tariff segment, total consumption and tariffs for the billing period. We believe that this is a practical and effective way to provide information to the bulk of consumers about their energy use and assess the accuracy of the bill in a general sense.

However, to avoid all doubt, we would like the following clarified:

- We assume that the Commission's intention is not to prescribe a format or terminology for the tariff components, but provide the principle that where a retail tariff has different components, that these components are shown on the bill. This would mean that retailers and their customers still have flexibility to determine how many tariff components there are, and what they may be called.
- We note that the Commission has shown meter ID on its table, and we note that this might be problematic for customers with more than one meter. While most households and small business do have one meter, this is not always the case. Origin would like to see the meter ID decoupled from the tariff information.

The matter of total accumulated consumption is another issue, where we take it that the Commission is referring to the meter's index read, showing all consumption aggregated as if from when the meter was switched on (similar to a car's odometer). We note the Commission has suggested the following options for how this information could be included on customers' bills:

- the total accumulated consumption reading as at the bill date;
- the total accumulated consumption reading as at the bill date and at the previous bill date (this would resemble the "current" and "previous" reading); or
- the total consumption for the billing period is added to the "previous" total accumulated usage, which customers could compare with their reading from the smart meter.

Origin believes that none of these options provide a reliable outcome for consumers that would meet a reasonable public expectation about accuracy. There are two main problems with any approach to placing an index read on a bill in the context of smart meter technology.

The capacity for an index read as intended is not there

First, the reality is that the rules and specifications for the systems and relationships in the market for smart meters do not provide for such a read. As the technology currently stands, the reads from a smart meter are largely discreet and do not 'add up' to any cumulative total. While there is an optional field for distributors to fill out that equates to a form of index read, this is not mandatory. Further, the systems specifications do not require distributors to poll the meters in any reliable sense that would provide retailers this information (such as a daily poll at midnight, for example).

Therefore it is the job of the retailer to construct these cumulative numbers for billing purposes. The retailer gets this information from the meter data agent, who is also subject to the Metrology Procedure in calculating data substitutions where required. So, to avoid all doubt, the retailer is *not* provided 'total' usage as per an odometer reading as a matter of course, and must rely on its own calculations of total use.

While there may be some way to provide the retailer's own calculation as some form of odometer, not only will this not match the meter, it is not transferable. What this means is that when a customer switches retailer, the totals calculated for that customer's meter to that point are lost, and the new retailer starts again. There are no market rules requiring retailers to share this information on customer transfer.

Discrepancies arising from substitutes

The second, related, reason why an index read is not feasible is related to the discrepancy that will emerge over time between any accumulated index on the meter (assuming that is available) and the reported index on the bill.

As noted by the Commission, the total accumulation consumption reading on the meter may become increasingly remote from the cumulative consumption figure calculated by the retailer (which is used for billing purposes) due to the effects of estimations and substitutions. The fact is that this *will* occur, and at this point we have no way of knowing the extent of this and how disparate the two 'readings' will become. We caution the

Commission about making any assumptions at this stage about (a) what consumers want and what they need in terms of information, and (b) what the acceptable margin of variance will be from a customer perspective, without there being much more customer experience and research into smart meter customer outcomes.

Origin is concerned that a total accumulation amount will require significant qualification on the bill about its technical (in) accuracy and margins of variance, and we think the matter is more likely to confuse customers than edify them. Further, any resulting confusion may well increase Ombudsman complaints, which we would argue is not fair for either customers or retailers given that the root of the issue is with broader systems and rules and entirely out of the retailer's control.

It is also worth noting that customers can review the accuracy of their bill by requesting from the retailer their detailed half hourly consumption data. This is a new avenue for information that arises from the use of the interval meter. The challenge for the industry, as discussed below, is to develop with customers a consumer-friendly and secure view of how they can best access and digest this information. This will be a focus of customer education and of consumer research about preferences. Once we have established this as a customer expectation it will provide a level of assurance of billing far more appropriate to the 'new world' than the putative index read. Therefore it is thus more a matter of educating customers that this new data is a much better source of information.

As a final point we re-iterate the argument above that the policy and market objectives around smart meters are not to continue the 'old world' view of totals and averages, but to look within these data to actual consumption patterns across the day/night and effect changes in customer behaviour to use energy at times the customer is willing to pay for. The focus of the 'new world' is thus on behaviour, not just total consumption. As we know, with ToU tariffs the same overall consumption can result in quite different costs to a customer based on when they consumed energy.

Therefore we argue that even if the above reasons about the infeasibility of index reads were not present, the value of this number as a means of informing a customer about the relationship between their use and their charges is negligible.

Estimated and substituted data on bills

Overall, we need to be clear about what estimates and substitutes actually mean for industry and for consumers.

As a preliminary point, we note that the terms are defined and used in different ways in the market rules and in our communications with customers from how they seem to be perceived by the Commission. In relation to reads used for customer billing, the market rules do not talk of estimates, but instead of substitutes, where there are 'substitutes' and 'final substitutes'.

Origin suggests that some alignment can be made between what makes sense for customers and what occurs within the market rules, which is to say that there is either an actual read or 'something else'. While the market rules define the 'something else' as substitutes, customers are more familiar with the language of estimated readings. As far as the customer is concerned the method of deciding how to fill in the number for the 'something else' does not matter (providing it follows acceptable procedures), they just need to know that the number was not based on an actual reading.

Therefore, Origin believes that a customer must be told that their bill contains estimates when the bill has over a certain percentage of estimated/substituted readings. The difference between estimates and substitutes 'behind the scenes' would then relate more to where further data can be found, resulting in a re-bill, versus a 'final substitute' that requires the data to stand as if actual data.

Issue for comment

Comments are sought on when customers should be advised that their bill is estimated.

Comments are also sought on whether there should be some default tariff arrangements impacting distributors, retailers and customers when bills are estimated.

Origin supports retention of the estimation advice on a bill, but we expect that the nature of what this means for customers will change significantly. As the Commission has noted, the reason for estimation is unlikely to be related to a lack of access while meters and remote communications are working as expected.

As noted in our response to the Commission's scoping paper, we would support a materiality threshold applying to the definition of an estimated bill. The other options presented, that is advice about an estimate when (a) the bill is wholly an estimate, as currently required under regulation, or (b) where there is a combination of estimates and actual readings, do not provide any genuine understanding of the use of estimates.

First, the likelihood that a bill will be wholly an estimate is extremely low, as this means that over a three month period over 4300 readings were not possible. This could only indicate significant meter failure for the customer and is not consistent with the fact that distributors (as the Responsible Party under the rules) will know very quickly whether a meter has failed through their daily polling and other technical measures. This approach does not help people to understand where there may have been some estimates, but not all, which will be far more likely.

The Commission's second option is just a version of the third, but with no clarity about how such a combination is relevant to a customer. If there has been only a few estimated reads over the total period the effect is likely to be negligible, but the customer will not know what is and is not material.

Therefore, setting some materiality threshold would seem the obvious solution, and previously Origin has suggested that 2 per cent may be a reasonable figure. However, we are again left with the situation of potentially defining system and hardware outcomes before the systems are in place. We are not in a position at this stage to have confidence in any particular figure for estimations or substitutions, as there has not been any data flow to date. We would be concerned if thresholds were set, and consumer expectations were thus also set, reflecting beliefs about data quality that could not routinely be met by the market. This is particularly as retailers do not control outcomes and yet will be held responsible by consumers.

The industry will be in a better position to comment in early 2011, once data has started to flow through from all distributors, but even then the numbers will need to be assessed over time if we are to have a reasonable view of what is 'normal', what variations might occur, and what customers do and do not want to know.

A more significant issue is if the regulations addressing estimations and rebilling are not considered in light of the 'new' perspective on estimations. Origin would support a regulatory provision that provides for a retailer to adjust a customer's bill at the time of the next bill or sooner (if this can be done, that is, if the constructed data were not final substitutes), and no materiality of dollar amount was to apply. However, we would not support special bills being sent to customers as a mandatory requirement when the difference in the bill may be minute.

To address the Commission's second question about the need for a default tariff, Origin is concerned that this is being raised as an option at this stage, as it effectively reads as a suggestion for a regulated tariff. It is not clear what the Commission intends here - we have assumed the perceived need for a default tariff comes from a view that in the event of hardware or systems failure that some form of 'fair and reasonable' tariff approach might be warranted. The issue is then, what constitutes such a failure, affecting which per cent of the population, and under what circumstances. This would seem to be a version of RoLR regulation, except this is a 'tariff of last resort', but perhaps the Commission is considering this as a default tariff for any customer whose meter fails for a period of time. If this was the case then it would be a failure of the network to deliver under its obligations and this should be addressed by compliance enforcement measures. The market will not operate in an effective manner if this situation is not addressed by the networks in a prompt manner.

Origin would like the Commission to note that even if there is a failure affecting any one ToU customer that means that their entire bill is not based on actual data, the fact is that the substitutes arrived at through the Metrology Procedure are far more likely to reflect a

reasonable and meaningful customer data source than any regulated tariff offering. The tariff does not need to change, this is purely a matter of reliably estimating usage data.

Until this policy suggestion is clearer Origin will not provide further comment, other than to say that we do not support this suggestion as it current reads. Once again, retailers would seem to be bearing the risks and concerns about issues that are not within our control in any way.

Issue for comment

The proposal is to retain the current requirement that customers be notified that any part of a bill is based on substituted data.

Origin does not agree with this, as per our discussion above about the different terms used and what customers value and understand. It is premature to set notification requirements until industry participants are able to evaluate the performance of smart meter data quality. However, we do expect that substitution will comprise a small proportion of a customer's overall bill. If one or two substitutes are used for a quarterly bill with over 4300 readings, it would seem misleading to advise the customer that their bill was not based on actual data.

The Metrology Procedure addresses the rules for substitutes, and any issues lie with the MDP. We argue that bringing this terminology into customer communications is going to be unhelpful and confusing for customers. Instead, as noted above, the issue is at what point does a customer want and need to know if their bill has been based on data that is not a direct reading.

2.2.2 Managing daily consumption and costs

Customer billing cycle

Issues for comment

The current regulations for explicit informed consent may be seen to be acting as a barrier to customers accessing more timely information upon which they could better manage their costs. Views are sought on:

- Whether an 'opt-out' approach to monthly billing for deemed or standing offer customers is appropriate?
- What are the implications for the costs and timing of the current collection cycle if customers move to monthly billing?
- How should any changes to the customers' current billing cycles be implemented?

The key driver for the transition to smart metering is for all customers to understand and experience the true cost of electricity supply which varies significantly at different times throughout the day and year. The move to time of use pricing will allow customers to manage their electricity use in order to minimise their exposure to periods of high pricing and not be subjected to an average price (as currently exists) whereby the actual cost of electricity is smeared across all users.

The ability of customers to understand this new regime is largely dependent on the availability of energy usage information. It must be understood that a key aspect to smart meter technology was the in home display and this device was originally intended to support the provision of dynamic electricity usage data. However, as the in home display is not part of the mandatory rollout at this stage, it may be provided on a more discretionary basis and customers will need to access electricity information in other ways.

With distributors now also introducing complex time of use network tariffs during 2011 there may be a need to move customers to monthly retail billing in order for customers to receive more frequent time of use price signals. The existing regulatory requirement to gain explicit consent from customers for a retailer to amend their retail billing cycle is cumbersome and is likely to result in many customers not accepting a move to monthly retail billing. In many cases, Origin has observed that customers will not respond to a direct approach from a retailer even if the request is something that is in their best interests.

Therefore, Origin would support the option to use an opt out approach for a move to monthly retail billing; however we would not support this occurring before 2012.

Origin would support a review of the existing collection cycle for monthly billed customers, also. Obviously the existing collection cycle would straddle several monthly billing statements and a reduced collection cycle would allow a much less complex collection arrangement that customers would find easier to understand. As customers will be dealing with smaller amounts that arrive on a regular monthly cycle, it will be correspondingly easier for customers to manage these commitments. Naturally, it would require parallel changes in the cycle of accessing hardship schemes and the like.

Graphical information on the bill

Issues for comment

The proposal is to require retailers to provide customers with a graph similar to that used by EnergyAustralia or Ontario Energy Board when time-of-use tariffs are introduced for customers with smart meters.

What are the implications for incremental costs or barriers to innovation of this approach?

Given the customer feedback from overseas pricing pilots, and the potential move to monthly billing, mandating daily periods may also be beneficial for customers. Comments are invited on this approach.

Origin understands the Commission's desire to update the current provision for a graph in light of smart meters, and to do in way that specifically provides for what we currently understand to be basic tariff components. However, we are deeply concerned that any prescription of this kind of information to a customer in the smart meter environment could provide significant impediment any identification of what customers actually *want*. Further, and as noted above, we expect that paper bills will no longer be the primary form of information to many customers about their consumption.

As noted above, the smart meter environment is all about drilling into the complexity of customer usage and customer preferences in a way that we have not been able to pursue before. The additional data provided by smart meters will assist retailers to finally understand what differentiates customers and their needs at the basic level of their energy consumption. This environment should also stimulate customer interest in their energy use, and we anticipate that a whole new set of customers will become interested and involved in decisions about energy - customers who previously had not done much beyond paying their bills.

What this means is that we do not know what information should be provided to customers in graphs, but we do know that there is unlikely to be a universally meaningful or useful standard. This should be a matter for customer research, and any potential for a standard will reveal itself over time. Therefore, we suggest that any provision relating to graphs on bills should be about the principle of meaningful information for the customer, not the form of that information.

Our specific concerns with the approach suggested are as follows:

- The current customer graph shows the previous year's usage - this is obviously not going to be feasible if there are many data points, such as daily use. Even with monthly bills we are not sure that mandating daily usage figures on graphs is helpful without there being clarity about the type of tariff that the customer is on, and what the customer might want.
- The current suggested approach needs to be consistent with the other debates about bill information, such as the bill benchmarking work being undertaken both at the national and Victorian level. Messages need to be consistent if we are not to have opposite effect from what is intended and just confuse people.
- The graph approach suggested may become problematic with seasonal tariffs, as peak and off-peak time periods and prices are likely to vary between summer and

winter. We are also not sure how a Critical Peak Price might be represented in any standard sense.

Unbundling tariffs and charges on the bills

Issues for comment

Greater transparency through information to customers is a prerequisite for customers to benefit from the introduction of smart metering and unbundling could be considered to deliver part of this information. However, some key questions are:

- Would customers gain any information from unbundling of the distribution charges if the retailer does not base its tariff on the distributor's tariff structure?
- Would it be helpful or not for customers to have some charges unbundled, but not others?
- Does unbundling of network charges and tariff alignment have the potential to reduce retailer flexibility in tariff offerings?

What are the costs, benefits and feasibility of greater unbundling? Should regulation go beyond requiring the unbundling of retailer and distribution cost sub-components of wholesale and metering costs?

Once again, mandating any particular form of information provision at this stage risks stifling the very innovation that smart meter technology is to promote, and may well confuse customers in any event.

First, customers are certainly unlikely to benefit from unbundling of the distribution charges if the retailer does not base its tariff on the distributor's tariff structure. This will just create confusion for customers and the information will also take up space on the bill that could be used for more meaningful customer communications.

Second, it may or may not be helpful for customers to have some charges unbundled but it will depend on their retail tariff, their level of interest and their level of understanding of their bill. Origin anticipates that these factors will vary significantly across customer types and usage profiles.

Third, and this is more a practical point, retailers (and indeed the AER as regulator) have little control over the structure of the distributors' tariffs and variation in these tariffs. Already we have seen distributors introducing complex seasonal and demand based tariffs which would, if exposed on the retail bill, significantly raise retailer costs and cause further confusion to customers.

Therefore, we agree that any move to *mandate* unbundling of network charges and tariff alignment has the potential to reduce retailer flexibility in tariff offerings. Retailers may well choose to unbundle customer charges, but this will depend on what customers require and will also depend on the complexity of the tariffs involved and retailer system capabilities.

As a final point, if retailers are to show a direct pass through of network costs, there will need to be some means of having accurate data. The only way that data can be accurate is if we tie retail bills to when we receive network invoices. In order to do this, however, this means that retailers need to wait for each distributor's invoice, which obviously will not suit our retail customers, particularly when they cannot wait (such as when they are moving in or out of premises). The alternative to this is for retailers to develop algorithms to replicate the charges that would need to be passed through. Of course this then means that we are dealing with estimates and thus that there is room for error, not to mention the cost of implementing such an initiative. To avoid all doubt, neither of these options is feasible and we would not support them in any way. Our preferred approach is by far for retailers and their customers to decide what information would be valuable, provided when and in what form.

Nevertheless, Origin has previously supported initiatives by state governments and others to clearly demonstrate to customers the proportion of the sector's energy costs that arise from network charges. With ever increasing investment in network capacity and security of

supply, part of the general education led by governments and regulators should include a broad representation of the network costs in the average consumer bill.

Notification of variations to tariffs

Issue for comment

The Commission considers that any changes to the regulation on the notification of tariff variations should wait for the outcomes of the Victorian Government's deliberations, so that there is consistency between customers on market contracts and those on standing contracts.

Nevertheless, interested parties may wish to submit their comments in regard to this matter.

Origin agrees that any changes to the regulation on the notification of tariff variations should wait for the outcomes of the Victorian Government's deliberations, so that there is consistency between customers on market contracts and those on standing contracts.

While we support prior notice being provided to the customer about changes to tariff structures (like a shift from single rate to ToU) we believe that the current process is sufficient for changes to tariff levels.

As a key point of principle, we ask that the Commission and DPI work to align the notification obligations of retailers and distributors. If the public policy objective is to provide customers with sufficient notice of changes, then we ask that retailers are similarly provided notice by distributors. Currently there seems to be a belief that retailers should bear the risk of distributors wanting one approach and customer protections requiring another, which we would argue is unreasonable and not conducive to an effective market environment or efficient prices.

Access to historical billing data

Issue for comment

Will the regulation of the provision of billing level data continue to meet the needs of customers to allow them to reconstruct their historical bills in a smart metering environment for ad-hoc or occasional purposes?

Origin agrees with the approach suggested by the Commission to keep the existing provision and have data provided per tariff component but aggregated per billing period.

Access to metering data

Issues for comment

The Commission considers that there is a need for regulation to require customer access to metering data that will be available on a daily basis through secure communication methods capable of protecting customer privacy.

Comments are sought on:

- whether distributors as well as retailers should be obliged to provide metering data sets to customers
- how distributors or retailers can provide interval data from smart meters securely to customers
- how would the cost of such a service be assessed?

What other information and information sharing issues should be considered by the Commission in reviewing the regulations?

Origin feels strongly that distributors should not be obliged to provide metering data sets to customers, and, in fact, they should not be *allowed* to provide this information other than to retailers. This is a basic issue and goes to the heart of why retailers and distributors have different roles and regulatory requirements - retailers have retail licenses and adhere to a range of customer protection rules around information provision and privacy. As such, we have the 'right' and the obligation to provide information to our customers and to find the

best means of providing this information to meet customer requirements. This is not part of a distributor's remit and we believe that it *cannot* be.

In principle, it is the customer that owns the interval data from smart meters. These data reflect the activities and behaviours around energy consumption that occur within their premises. In that context, information sharing should be at the discretion of the customer. In addition, customer data should be treated securely and the security of that data is the responsibility of all who handle it.

We suggest that the Commission is clear about how long metering data should be kept. We would support a period of no longer than two years.

2.2.3 Shopping around for a better offer

The Commission has suggested that the following options could be considered:

- Requiring the energy retail businesses to offer retail market offers with tariff structures that are the same as the network tariff structures. That is, that if the network has a three part TOU tariff that applies to various time periods, then it would be a requirement that the retailers provide at least one market offer with the exact same tariff structures.
- Requiring retailers to provide indicative charges for a standard set of customer profiles to assist customers when choosing between two complex retail offers
- Requiring retailers to display the average price paid per day or unit of energy on the bill to provide customers with a simple index for understanding how their costs are trending, with information on how to compare that cost against competing offers

Energy retailers would be required to show the same information on offer summaries or any material used to market specific offers to customers.

Issues for comment

Comments are sought on these, or alternative, options for ensuring customers are able to compare competing retail offers when time-of-use tariffs and more complex tariffs are introduced.

On the first option suggested by the Commission, the roll out of smart metering should not be seen as an opportunity or an excuse to re-regulate pricing in Victoria. Price deregulation has occurred following a comprehensive assessment of the Victorian market. This review undertaken by the AEMC has determined that the Victorian market has effective competition with insignificant barriers to entry by new market participants. Prices were deregulated by the Victorian government in support of this finding.

Despite the potential benefits of ToU structured pricing, the regulations should also never prevent an individual retailer from choosing to provide simpler 'hedging' products to customers, such as a flat tariff, or incentive based tariff, if that is what the customer chooses. To propose that the retail energy market should be driven by distributors' pricing decisions is to create a command economy in energy not a market economy.

Further, as noted above, distributors have very few mandatory obligations around their pricing strategies. If retailers' pricing was essentially to be controlled on this issue then we suggest that this would need to flow through to distributors' pricing. If social policy requires a certain approach then there *must* be alignment through distributor and retailer regulatory approaches.

Regarding the second and third options, the shift from one data point every three months to over 4300 is hugely significant for how we might better understand 'standard' customer needs, and we suspect that there will be no standard that can be used meaningfully for all customers - in fact, promoting something as standard when the bulk of customers do not fit the mould could be seen as misleading, and this is not a path that Origin wants to travel. This is particularly as the same ToU tariffs would mean different overall costs to different customers if they use energy at different times.

Origin is keen to work with the Commission (and its successor, the AER) on price disclosure and price comparator services. However, as noted, care must be taken to ensure that regulated outcomes in this area do not inhibit energy product innovation or indeed mislead the customer. For instance estimating an individual customer's load profile for a price comparison under a ToU pricing scenario is very difficult, especially as the customer needs to also assess their future energy use behaviour to understand the full impact of any comparison. Moreover each customer has differing needs and too much emphasis on the price only of an energy product may well not reflect the full value to individuals other contractual provisions, such as inclusion (or not) of fees, types of green energy, etc.

2.3 Remote disconnection and reconnection

2.3.1 Prompt reconnection and disconnection service

Issue for comment

Should the regulation require the distributors to disconnect and reconnect premises more quickly if the smart meter functions are available?

We do not think that it is appropriate to reduce the current period of one day for distributor energisation of premises. While the smart meter remote capacity provides for a faster energisation than this, the fact still remains that there are necessary communications that must occur, such as those to confirm customer address, identity, and safety and access issues in the event of failure, and these communications may well take longer than the hour suggested by the Commission (based on the AMI Functional Specification).

Mandating a period less than a day right now would be unnecessarily constraining processes we have as yet not undertaken en masse, and the reality will also be that a very limited maximum time in rules would then need a range of exceptions based on precise times and circumstances.

Consumer safety is paramount and Origin suggests that we do not amend this regulation for now, at least not ahead of Energy Safe Victoria's process and deliberations. In addition, it is absolutely essential that the industry adopt a co-ordinated approach to the timing, processes and procedures of remote disconnection and reconnection (see also below).

2.3.2 Customer protection under disconnection

Issues for comment

What steps could be taken by the distributors and/or the retailers to ensure that the wrong customer is not disconnected with smart meters?

Should retailers take additional steps prior to disconnecting all customers, as well as noting on the disconnection warning that the disconnection may be carried out remotely?

Origin notes that the Commission intends to amend the regulations so that the retailer's disconnection warning to customers indicates that the disconnection may be performed remotely without a visit to the property. While we do not have a concern with this, we do not agree with the further suggestion from St Vincent De Paul for retailers to make two attempts within a 24 hour period to contact all customers prior to the remote disconnection. The protections afforded by the Retail Code are sufficient, and in the environment of Wrongful Disconnection penalties, retailers are already highly incentivised to disconnect without error and only where required.

2.3.3 Information to new customers after remote disconnection

Issue for comment

Under remote disconnection should the Commission require that information be provided by a sticker placed in the meter box?

What other options are available for ensuring new occupants know how to go about finding a retailer and getting reconnected?

Origin agrees that a practical and means of providing customers with the identity of their distributor is by means of a sticker inside the meter box or on the meter.

As this information does not change it seems a practical solution especially for power outages where quite often a customer will access the power board or meter box to check fuses or circuit breakers.

However, this is not a practical solution for the identification of the responsible retailer for a site as this can change frequently and would require site visits by retailers to maintain. If not updated this could be quite confusing for customers. In the rare event that a customer does not know the retailer for a site (in most cases the retailer will be sending bills to the customer) then a call to the distributor could also readily reveal the relevant retailer.

Further, broader consumer education could then direct consumers to this information. There might also be an enhanced education campaign directed at developers and real estate agents dealing both with tenancies and sales.

2.3.4 Safety considerations

Issue for comment

The regulatory proposals set out above do not appear to be impacted by these developments. However the Commission welcomes comments on this view.

Origin agrees with the Commission's view that the regulatory proposals within the Issues Paper do not appear to be affected by the ESV's current work developing protocols that will be regulated within the framework of the Electricity Safety Management Schemes.

2.4 Frequency of network billing of retailers by distributors

Issue for comment

The Use of System Agreements are amended to provide for monthly network billing of customers with smart meters, but in the period until 1 January 2012 (or some other agreed future date) the payment terms for such network bills be extended if the retailer is billing the customer quarterly. UoSAs currently provide that retailers must pay network bills within 14 days. This would be extended to a number of days that produced an equivalent outcome to their current level and pattern of payments.

Under this amendment, distributors could implement their new billing systems, generate monthly network bills and all of the distributors' objectives in the AMI Process Model would be attained. For retailers, while data and bills would begin to flow to them more frequently, there would be no acceleration of their payments to distributors, no mismatch between receipts from customers and outgoings to distributors, and therefore no increased working capital required. Distributors' working capital positions would be unchanged from their present state, rather than being "immaterially" advantaged.

Comments are invited on whether such a solution is supported, whether it can be achieved by negotiation, or whether the Commission should amend default UoSAs to bring about this outcome.

The industry agreed AMI process model has failed to recognise the provisions of the existing UoSA and the limitations under which retailers could move customers to monthly retail billing to offset the cash flow implications of monthly network billing.

Origin believes that distributors should not financially gain from this transaction, and nor should customers pay extra costs.

In principle we support the changes suggested by the Commission that if agreed would see retailers not exposed to this cash flow impact. Negotiating a suitable outcome with distributors around this issue will be difficult, however, given the nature of the dispute and previous experiences.

Origin will seek to achieve a suitable outcome by negotiation of the short term but we urge the Commission, following a fuller discussion with all stakeholders, to amend the UoSA to ensure a fairer long term outcome.

3. Other

We have shown our responses to the detailed issues raised in Appendix A of the Issues Paper below. Note that we have only shown a response where we have a (potentially) different view to that of the Commission.

Regulatory provision	Commission comment	Origin view
Retail Code		
5.3 Bill Smoothing	Views are sought on whether the reconciliation requirements for bill smoothing should be changed to 3 months for those customers with smart meters	Bill smoothing should be able to be adjusted in line with the market offer, i.e. if a retailer proposes to adjust the variance of the monthly amount where a consumer is exceeding, or well below, the cost or consumption of the period they should be able to do so.
Clauses 22.1 - 24.6 Term, termination and expiry of contracts	Comments are sought on whether the notification time should be reduced and why	Origin does not believe that any change is required to the current requirements. It is unclear how many customers who have AMI installed will be reliably read on a daily basis at this early stage.
Distribution Code		
Clause 9.1.14, Provision of information	The Commission seeks views on the operation of clause 9.1.14.	We have found the clause to be largely effective; however, we have a related concern about how customers are provided information about in-home displays and HAN when this becomes a reality. No information covers the ability to connect to the HAN, and the process for retailers to do so (at no additional cost to the consumer) is not covered.
13.3 Denying access to meter	Propose the following amendment; <i>A retailer may disconnect a customer other than a customer with a smart meter if, due to acts or omissions on the part of the customer, the customer's meter is not accessible for the purpose of a reading for three consecutive bills in the customer's billing cycle but only if:</i>	We note that there needs to be a right for the responsible person to enter the premises in the event of meter or communications failure.
Metering Code		
2.4 Impulse Output	The Commission proposes that clause 2.4(a) be varied to read; <i>"(a) A customer, other than a customer with smart metering, may request a distributor, a retailer or a responsible person (as the case may be) to provide it with impulse outputs representing the quantities of electricity measured."</i> Smart meter would be defined as; <i>"A metering installation installed at a customer's premises where the annual electricity consumption is 160 MWh or less that meets the requirements of Division 6A ("advanced metering infrastructure") and relevant Orders under Division 6A of the Electricity Industry Act (2000)."</i>	Agreed, as long as it is clear it only applies to large customers.

Regulatory provision	Commission comment	Origin view
2.6 Information for Customers	<p>The requirement that information about accessing the meter display be provided should be now extended to include smart meters.</p> <p>Due to the major change-over program the Commission considers that this requirement should be extended to include the provision of this information at a customer's request.</p> <p>Proposed drafting: <i>"A distributor, retailer or responsible person must provide sufficient written information to the customer so that the customer can access, at a minimum, the cumulative total energy measured by an interval meter or smart meter at the customer's premises when;</i></p> <ul style="list-style-type: none"> • <i>the meter is installed at a customer's premises, and</i> • <i>requested by the customer."</i> 	<p>Clarify that this is about information to customer about <i>how</i> they read their meter, not what the information is.</p> <p>Not clear how complex the obligation will be given the different meters being installed and the information available.</p>
7.1 Access to data	<p>It is proposed that paragraph (a) be varied as follows; <i>"A distributor, a retailer or a responsible person (as the case may be) must, on written request from a customer, other than a customer with a smart meter, provide facilities to enable the customer to electronically access data stored in metering equipment provided by the distributor, the retailer or the responsible person."</i></p>	<p>Agreed, as long as it is clear it only applies to large customers.</p>
Use of System Agreements		
8.1 & 8.3 Compliance with Privacy Laws	<p>Comments are sought on whether there is any requirement for further amendment</p>	<p>The Privacy Act covers this appropriately</p>
8.2 Provision of Information	<p>Comments are sought on whether there is any requirement for further amendment</p>	<p>The prevailing rules should continue to apply</p>
8.4 Information Exchange Protocols	<p>Comments are sought on whether there is any requirement for further amendment</p>	<p>No requirement</p>
9.4 Customer Details	<p>Comments are sought on whether there is any requirement for further amendment</p>	<p>We confirm that smart metering should not change this. There should be an improvement from current processes addressing the issue.</p>
9.8 Changes in Network Tariffs or Distribution Services	<p>Comments are sought on requirements for further amendments to these provisions</p>	<p>Current obligations and procedures represent the minimum period of notification for significant changes in network tariffs and we agree this will be critical in the smart meter environment. We suggest that even longer periods of notification may be required given the potential for more complex network tariffs to be created.</p>

Regulatory provision	Commission comment	Origin view
Distribution licence		
19 Statement of charges	Stakeholder views are sought as to whether any further amendments are required to the Use of System Agreements to effect this obligation on the distributors	This will be subject to the final obligations placed onto retailers from this and subsequent reviews, especially with regard to type of information and what is deemed as timely delivery. Initially suggest this obligation under clause 8.2 of the UOS agreement be amended to impose a best endeavours obligation on distributors to provide information as retailers have no ability to get this information from any other source.
9.1. Bill Information	Refer to discussion in section 3.2 Comments are sought on whether the obligation should be retained in the licence as it refers to larger customers.	Recommend no change.