



# Department of Education and Early Childhood Development

## Office for Resources and Infrastructure

21 May 2010

Regulatory Review – Smart Meters  
Essential Services Commission  
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Dear Sir/Madam

### RE: REGULATORY REVIEW – SMART METERS

Thank you for the opportunity to provide input to the scope of the Commission's Smart Meters Regulatory Review. As a general comment the Department of Education and Early Childhood Development acknowledges the importance of the outcomes of this Review and the decision of the Commission and specifically their impact on government schools.

#### S 3.2.1 Reviewing the bill

##### Verifying accuracy of the bill

- Whatever tariff structure is used by the retailer and/or distributor, individual customers must be able to easily check applicable tariffs on the relevant website to verify that what they are being charged is correct on the bill. This should apply to both bundled and unbundled billing
- Introduction of Time of Use (TOU) tariffs combined with the unregulated nature of the retail market implies that unbundled billing should apply. Retail and network tariffs must therefore be separate.
- The Commission should consider the mandatory use of uniform descriptions across network and retail tariffs, and on billing. This would allow customers to more easily compare alternative retailer offers.

Experience in the >160MWh pa market sector where smart (interval) meters have been used for some time, shows that customers can figuratively drown in data; in this market the availability of raw data in itself is not an issue. However, issues highlighted below show the importance of an efficient process relationship between distributor and retailer, i.e.

- Accuracy: our experience is that too high a percentage of bills in this category contain errors; data gaps, incorrect network tariffs, incorrect peak and off peak consumption splits, are examples.
- Understanding: raw data (particularly the interval data) cannot be easily aggregated at desktop level. Any development of industry-wide system infrastructure should include (web based) tools that can import and present data on a daily/weekly/periodic basis for comparison across different time periods, and to verify billed information.
- Estimated and substituted data on bills: clear guidelines are required regarding estimated bills as this is currently an issue in the <160MWh market sector. The prevalence of estimated billing and subsequent re-billing is not an efficient business process for customers

or the industry. This is a matter that we would expect to be almost entirely eliminated following the installation of smart meters.”

- Improvement in consistency of the billing process itself is also required. Under the current regime schools have experienced multiple instances of non-billing by a retailer across successive periods. Clear “rules” that do not favour either the distributor or retailer to the disadvantage of the consumer, are essential in these circumstances.

#### Timing

- Regular communication throughout the installation program needs to include clear statements concerning what data will be or should be available to a customer and from whom (retailer and/or distributor) once a smart meter is installed, e.g. will customers be required to wait until all smart meters have been installed before they are able to access any benefits.

#### S 3.2.2 Managing daily consumption and costs

##### Customer billing cycle

- Monthly billing could be on set anniversary date each month should the end of calendar month prove difficult for retailers from a capacity point of view.
- Monthly billing will allow more rapid action by consumers to address cost impacts highlighted by the availability of smart meters.
- Monthly billing will also allow a more rapid identifying of billing errors.

##### Graphical information on the bill

- We believe that the Ontario smart price pilot example in the Review represents the most desirable model.

##### Access to historical billing and metering data

- A two-year availability period is sufficient as a default measure. Commercial customers and retailers should be able to agree on other arrangements if they so wish.
- Access to interval data is essential to understand usage patterns, although some means of aggregating and presenting data within the ‘smart meter system’ needs to be available to customers for this to be of any use.
- Customers with multiple sites may require access to meter data for all sites. Retailers or distributors must be obliged to provide data to such customers.
- The retailer is the face of the electricity supply industry for most customers. However, if distributors are responsible for smart meters and associated system architecture then there is some logic in arguing that they should be responsible for interval data provision to a customer or that customer’s nominated third party.
- Access to data for the customer or their nominated third party by website download is probably the most cost effective means of distribution.

#### S 3.2.3 Shopping around for a better offer

As mentioned elsewhere, uniform descriptions and tariff structures is viewed as essential in order to be able to compare retail offerings, whether domestic or commercial.

S 3.3, 3.3.1, 3.3.2 and 3.3.3 Remote disconnection and reconnection issues

- Security is a significant issue in the context of a wireless network. Smart meters in themselves must be protected so network hackers cannot access and corrupt meter firmware/software, or remotely disconnect.
- System architecture must be such that it treats disconnection as an abnormal, non-routine event, and that retailer or distributor request for disconnection prompts a specific sequence of steps to ensure that appropriate checks are made regarding customer status.
- Disconnection/reconnection in the event of property sale/purchase should not be an issue – the retailer/distributor only needs to be notified of the date and time of transfer. Interval meters are capable of recording consumption either side of an agreed date and time of transfer.

If you have any queries concerning our comments please do not hesitate to contact Mr Brett Duff, Schools Resource Allocation Branch, ph 9637 2063, email [duff.brett.a@edumail.vic.gov.au](mailto:duff.brett.a@edumail.vic.gov.au)

Yours sincerely



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