

Energy Action Group

Submission

to the

Essential Services Commission of South Australia

Draft Pay As You Go Metering Code Consultation

4th January 2005.

**The comments in this submission should not be seen as EAG endorsing the use of
PAYG meters.**

Introduction

The Energy Action Group (EAG) is a 27 year old membership-based, not for profit, incorporated association representing the interests of consumers of less than 160 MWh across the National Electricity Market (NEM). The EAG has had a strong philosophical problem with prepayment meters over the past 15 years, since the former SECV tried to introduce them for Victorian consumers in the late 198's. Attached to this submission is one of EAG's more recent reports on some of the issues around prepayment meters. It is available on the EAG web site www.vicnet.net.au/~eag1/ .

The EAG was an invited participant in the former SECV Value Management Study relating to billing and credit management in the early 1990s, with full access to the SECV's data on the issue. The EAG information was then updated regularly until 1996 based on the publicly available Victorian, overseas and interstate data. EAG has had a commitment to looking at low cost alternatives for utility billing and settlement practices and has considerable experience and expertise in relation to these matters. The costs and performance of market participants and regulated network businesses settlement and billing systems has only had cursory examination under the light handed regulatory system across the NEM.

The EAG regrets that it was unable to participate in the earlier ESCoSA consultation process on "prepayment" or Pay as You Go metering (PAYG) and the Retail Pricing consultation, which will also impact on this issue.

EAG has been aware over the past three years that there have been a number of organisations promoting the use of prepayment meters in addition to companies like the Aurora-owned Ezikey. This observation particularly applies to the utility industry Ombudsman schemes (UIOS) across the NEM. The UIOS see the use of prepayment meters as a mechanism to reduce the growing number of billing system complaints across the NEM. It is our contention that the UIOS have a very limited view of issues based on specific complaints by consumers and as a consequence fail to address systemic market, settlement and billing related issues that exist across the NEM associated with the implementation of Full Retail Competition.

It is worth noting that the well-resourced and well-connected organisations like the Electricity Retailers' Association of Australia and the various utility Ombudsman schemes have a huge advantage in promoting market and regulatory outcomes, compared to all community sector organisations involved in the NEM.

The Electricity Ombudsman Tasmania¹, for instance, makes the following comment in the recent OTER consultation on Aurora Pay As You Go consultation:

"Across the board in those states that have Energy Ombudsman ie, Tasmania, Victoria, NSW and South Australia, the highest percentage of complaints received

¹ Electricity Industry Ombudsman Tasmania (2004) Response from the Electricity Ombudsman to the Aurora Pay As You Go Issues Paper Provided by the Office of the Tasmanian Energy Regulator, July, Page

from consumers concern billing issues. These complainants often have unrealistic ideas about their electricity accounts.”

The paragraph is then completed with:

“The APAYG meter and the way it operates appears to do away with this confusion and gives the customer confidence in the meter and confidence in their own ability to manage both meter and their finances.”

It is EAG’s contention through this submission that PAYG meters will not enhance the development of the NEM and retail competition. The introduction of PAYG meters into South Australia will mask some of the systematic billing and settlement problems associated with ETSA and the retailers serving less than 160 MWH consumers.

Not all retailers will be in a position to provide a PAYG meter. This has the strong potential to restrict competition and increase the costs of prepayment meter technology to those consumers who want to use it.

EAG is strongly supportive of almost all of the positions taken by SACoSS in their submission of June 2004 and again in their 24th of December 2004 submission to ESCoSa on this issue. The worst case ESCoSA decision from EAG’s perspective is to adopt the SACoSS recommendation of at least a two year moratorium on a PAYG roll out.

EAG has either participated in or critically evaluated most of the Electricity Distribution and Transmission Pricing Reviews coupled with a number of Retail Pricing Determinations across the NEM. It is clear from EAG’s 10 year experience with the reformed electricity industry that neither the utility businesses involved, nor the various regulators who oversee and make determinations, understand the relationship between household income and consumption patterns. EAG has been commenting over a number of years that this lack of knowledge has helped several retailers and distribution companies to maximise their return under the incentive regulatory regime and in jurisdictional pricing determinations at the expense of good service and consumers have had to underwrite the process almost without representation.

PAYG metering will help obfuscate the relationship between household income and consumption patterns and in the longer term has the potential with a reasonably large scale roll out to lead to cost increases for the remaining type 6 metered consumers. (AGLE the 1st tier retailer will still have the costs of a billing system and revenue collection arrangements for the remaining non PAYG customers.)

One US based report by the Alliance to Save Energy (1992)² points out that the utility (retailer) needs to maintain an ongoing relationship with customer to allow low income customer to benefit from an energy management program. The destruction of the

² The Alliance to Save Energy (1992) Evaluating the Benefits of Comprehensive Energy Management for Low Income , Payment-troubled Customers, Final Report on the Niagara Mohawk Power Partnerships Pilot, May.

relationship between the retailer and the consumer makes a number of energy efficiency demand management and social policy programs extremely difficult.

This submission to this ESCoSA consultation on the Prepayment Code is divided into two parts.

The first part of the EAG's response relates to the policy issues around the introduction of the PAYG technology to the NEM. Most of EAG's recent research for this part of the submission is based on the Tasmanian experience as this jurisdiction has provided the most comprehensive information on small customer billing behaviour across the NEM.

The Tasmanian energy load is different to that of South Australia. They currently have a water-constrained, winter peaking system with extremely limited access to natural gas. The winter energy load ensures that the average Tasmanian residential consumer has a 33% higher electricity consumption than the average South Australian residential consumer³ and Tasmania has 30,000 PAYG meters installed.

The Tasmanian 1st tier retailer Aurora has not been exposed to FRC within the state and the associated retail competition in the Australian Capital Territory, Victoria, New South Wales and South Australia that appears to "cherry pick" the most profitable customers. These circumstances have enabled OTER to expose a number of the Tasmanian retail issues missing across the other NEM jurisdictions when compared to the other four jurisdictions.

South Australia has a summer peaking system with the highest residential prices and by far the worst annual load duration curve across the NEM. The state has the best publicly available information base of the current NEM jurisdictions, due to the large number of inquiries carried out by ESCoSA into retail prices and the current Electricity Distribution Pricing Review and the former South Australian Demand Management Taskforce.

The deteriorating annual load duration curve and the high cost of supplying load to meet the summer demand have ensured that South Australia has the highest Standing Offer Prices in the NEM. Under the current draft Code PAYG meters do not need to be compatible with effective load management technology.

The second part of our submission relates to some proposed amendments to the Code itself given that the Commission has moved to the stage where it has drafted the proposed Code for promulgation.

³ OTTER (2004) Tasmanian Energy Supply Industry Performance Report 2003-04, December. Table on P 94

Part A: Policy issues

There appear to be at least potential savings and benefits associated with PAYG meters in the current National Electricity Market Full Retail Competition arrangements.

The PAYG meters provide the following benefits:

- a) Speeding up and greatly improving a retail business's cash flow and changing the focus from providing credit to consumers for up to 4 1/2 months across to being paid before consumption occurs
- b) Minimising bad debt
- c) Cutting customer billing and credit collection costs
- d) Minimising or stopping any independent scrutiny of retailers' faulty backend operations associated with the NEMMCo Market Settlements Administration and Transfer System, faulty retail settlements and billing systems.

EAG is extremely disappointed that ESCoSA does not appear to have effectively investigated or addressed any of the four issues in the recent Retail Pricing Review and (ETSA) Electricity Distribution Pricing Review and PAYG issues papers and consultation processes.

It is clear that there are cost savings for a retailer not having to bill regularly and to proceed through the ESCoSA Energy Retail Code's billing and disconnection procedures. The draft ESCoSA PAYG Code provides a bypass mechanism that puts the most of the responsibility on to the consumer away from the retailer. Reversing the current arrangements.

EAG is seriously concerned that in the longer term, this significant change in relationship between retailer and customer may have detrimental effects on the provision of energy management and efficiency programs by either the retailer or other government agencies. Both the ESCoSA PAYG Issues Paper and draft Code fail to effectively address this issue with the exception of the need in Section 2.7.1 (d) to effectively provide SA government concessions and energy relief programs.

The Tasmanian⁴ regulator, OTER, is the only jurisdiction regulator or industry business that EAG is aware of that currently publishes a wide range of retail performance details for less than 160 MWh customer statistics that relate to disconnection and payment performance and some of the associated costs. It is worth noting that one of the reasons for the availability of this information is that Tasmania is yet to enter the NEM and to implement FRC. The OTER data clearly supports the observations of the Energy Industry Ombudsman Tasmania on billing complaints quoted on the first page of this submission.

This report goes on to point out that the overall level of bad debt is associated with the 9% of customers who have not paid after 50 days. Pay As You Go meters could be used

⁴ Office of the Tasmanian Regulator (2004) Tasmanian Energy Supply Industry Performance Report 2003-04, December.

as a solution to this problem. However no data is provided in this report about “can’t pay,” “willing to pay but have inadequate means,” “won’t pay” and those who exploit the billing utility cycle.

The OTER report indicates that around 30,000 Tasmanians already have PAYG meters⁵ and went on to note that Aurora “was still behind general market benchmarks of 80% or more customers paying their bills before or on the due date,” using the SAIIR 2002 McGregor Tan research as a basis for this statement..

The current Aurora Annual Report⁶ shows that the bad debt level for the retail and distribution arm of business (incorporating both large and small customers) was \$ 972,000 on a \$ 745,498,000 (or 0.13%) turnover for the financial year ending June 2004. This is a substantial decrease from the previous financial year where the bad debt constituted \$ 3,112,000 on a lower turnover of \$ 696,412,000 (0.44%). The bad debt results for these two financial years indicate very low percentages of electrical utility bad debt level, particularly when compared to most other industries who, in marked contrast to an essential service industry, have a choice of whom they accept as customers and have the choice as to whether or not they provide goods and services to any person or organisation with a poor credit risk and at what price.

Most of the publicly available information on Australian retail electricity utility bad debt shows the same long term low levels of bad debt as Aurora. **Bad debt is not an excuse to authorise PAYG meters.**

It is worth noting that the SAIIR McGregor Tan figures are similar to those produced by the former SECV in 1990⁷. These *studies are supported by the data put together by Irvine⁸ on the SECV credit collection cycle, bad debt and the associated costs.*

To EAG’s knowledge the last detailed customer consumption survey on a wide cross section of residential electricity, gas and other energy sources was the 1981 Victorian based Centre for Urban Research and Action study. This study was used as the basis of electricity and gas tariff setting by the Victorian government for a 14 year period. A number of other less detailed studies have been carried out since 1981 such as two studies from the Victorian Department of Human Services, several Australian Bureau of Census and Statistics household expenditure studies and the recent 2004 IPART study into Sydney, Wollongong and Newcastle.

The SACoSS and Western Region Energy Action Group⁹ (2004) raised a number of issues to ESCoSA around electricity as an essential service. Langmore and Dufty

⁵ Office of the Tasmanian Regulator (2004) Graph 7.10, p 103.

⁶ Aurora Energy (2004 Annual Report⁶ (2004)

⁷ SECV (1990) Review of Outstanding Finalised Electricity Accounts, (Confidential) May

⁸ Irvine Maartje (1995) The Relationship between Profit/Bad Debt and Special Category Customer Service Culture in a Competitive Environment. Final Thesis for MBA Monash University

⁹ SACoSS and WREAG (2004). Submission to the Essential Services Commission of South Australia Inquiry into Retail Electricity Price Path Discussion Paper, October

(2004)¹⁰ have shown that low income consumers as a group consume less energy than medium and high income households, providing a similar analysis to the CURA study of 1981. This study went on to point out that low income consumers were price insensitive (very price inelastic) and ended up either having bill paying difficulties or being disconnected.

It is EAG's contention that PAYG meters do little to help manage the utility bad debt levels and costs associated with a consumer's poor credit performance, particularly if they are installed as a budget tool rather than to reduce the incidence of poor consumer payment and bad debt behaviour.

There a number of groups in the welfare and financial counselling area in Victoria who have started to raise questions in relation to the regulator and host retailers referring case work to them without considering the resource consequences for those organisations.

It is becoming apparent in Victoria (a jurisdiction with very few PAYG meters) that many low income consumers access welfare agency relief before they become involved in the formal ombudsman and the government relief grant processes or they because they fall outside the so-called safety net.

St Vincent de Paul¹¹¹² provides an useful example of the commitment of a welfare agency to helping low income consumers fund their utility bill. The organisation has been providing financial assistance to low income consumers in the form of utility relief grants¹³ before those consumers have accessed the formal schemes. In many cases this has occurred before their payment plan failed or they were disconnected. The utility relief grant costs were seen to be St Vincent de Paul's second largest area of dollar expenditure. The Annual Reports went on to show that there has been an increase of 80% over the past two year period. It is worth noting that this trend is not being well picked up by most current research relating to energy poverty and its relation to low disposable income consumers.

PAYG meters should greatly increase the welfare sectors' need to make a commitment to helping low income consumers feed their meter.

It is clear from EAG's argument so far, that if ESCoSA is prepared to authorise the use of PAYG meters, then there should also be a minimum consumption threshold established to ensure that most of South Australia's low income energy consumers fall below this threshold. The threshold should be determined by a comprehensive study into income, housing ownership, appliances and levels of consumption.

¹⁰ Langmore M & Dufty G. (2004) Domestic electricity demand elasticities, Issues for the Victorian Energy Market, St Vincent de Paul Society Victoria, June

¹¹ St Vincent de Paul Society Victoria Inc (2003) Annual Report 2002-03

¹² St Vincent de Paul Society Victoria Inc (2004) Annual Report 2003-04

¹³ The statistics for this grant include telephone bills but the \$ value used to help recipients pay their telephone bill has been static over the 2 year period.

However EAG readily acknowledges that a minimum consumption threshold requirement may not be of any assistance for the next customer or house occupant moving into accommodation with a PAYG meter, given that they have little choice or understanding of living with this technology if they want a roof over their head.

If the study was properly constructed the data would also assist in understanding the South Australian load drivers, enable a better targeting of concessions and the safety net, allow modelling of AGL standing offer and ETSA DUoS charges.

Cost of Meters

None of the material available from the Tasmanian and the South Australian regulatory consultations show the costs of the meter, the costs of installing the meter (but presumably the cost will be that of a stand alone meter replacement defined under the ETSA excluded service charges), or the costs to set up the card recharge arrangements.

The meter will still have to be read at the same time as surrounding meters to ensure that the data provided complies with the jurisdictional metrology procedures.

The removal cost for those who reject the technology will also be taken into account in setting the tariffs for these customers.

EAG believes that new consumers/householder entering property with PAYG meters should be given a choice as to whether they retain the meter or can replace the meter with an interval meter read as an accumulation meter.

Meter Ownership, Storage, Transfer of Information and Customer Transfers

The draft Code provides that only 2nd tier customers can receive a meter. **The question of who owns the meter was not effectively addressed in the ESCoSA Issues Paper.** Can the PAYG meter be owned by another party other than ETSA? On the surface the Joint Jurisdictional Metrology Review,¹⁴ signed off on by the Chairperson of ESCoSA, made a number of findings that are pertinent to the draft PAYG Code and should define the issues around ownership.

The Review findings include:

“However for small customers they found that the potential benefits of competitive metering services to consumers are likely to be significantly less than the costs. In addition there is a risk that introducing competition in this secondary market will impede competition in the primary retail market. For these reasons distributors should continue to be exclusively responsible for small first and second tier customers.”

¹⁴ ESC(V), ESCoSA, IPART, IPARC, OTTER and QCA (2004) Joint Jurisdictional Review of Metrology Procedures, Final Report, October pages ii and iii

“The Jurisdictional Regulators found that limited flexibility for distribution and retailers to restructure regulated tariffs to make the more cost-reflective reduces the benefits that a more economically efficient metering solution could provide to the market. They believe that the regulator in each jurisdiction should consider the need to promote efficient outcomes when determining the appropriate balance between limiting price movements to protect consumers from price shocks and making tariffs more cost reflective.”

“The Jurisdictional Regulators found that under the current metering arrangements, the options for small consumers to switch to a new retailer on the basis of accumulation metering (with profiling for the wholesale market settlements) may be a barrier to the achievement of cost reflective tariffs as it can weaken the price signal that the customer can be exposed.”

The PAYG meter and associated infrastructure need to be able to store the payment and consumption information over the period of an outage so that the consumer is not disadvantaged. The question is how much storage time is available before the data is lost.

There are several questions for which EAG seeks answers. Does a customer signing a market contract rather than the standing offer with the 1st tier retailer constitute a second tier offer and transfer? Can a 2nd tier customer without a PAYG meter transfer back to the 1st tier retailer and obtain a PAYG meter on a market contract?

Most/almost all new and replacement meters currently available for installation in Australia for less than 160 MWh consumers are Interval Meters unless they are refurbished or recycled accumulation meters. Will the PAYG meters be an electronic meter with the ability to be an interval meter or will they be accumulation meters? If they are accumulation meters, then it is EAG’s contention that this decision on the PAYG Code will be another example of regulators impeding market forces rather than promoting them.

There are a number of issues that EAG thinks are important that will fall away, if ETSA retains management/some form of ownership of the PAYG meters. In the short term with a slow market penetration of this technology it constitutes minor chatter in the main operations of both the market and a retailer’s operations. However as the number of PAYG increase, the issues raised will take on greater importance to market participants and South Australian consumers who foot the bill at the end of the day.

In the early days of the NEM there was evidence from the more than 160 MWh contestable market where accumulation meters owned by the distribution company were taken out and replaced by another Meter Provider and the removed meter was not read. The 1st tier retailer then underwrote the costs of this behaviour.

The PAYG meter data is still required for settling the wholesale market. The reading of these meters by another Meter Data Agent will add to the costs incurred by the 2nd tier retailer.

The Aurora submission to OTER¹⁵ indicates that they have the capacity to program their meters to have a variable time of year and time of day pricing structure. Will all South Australian PAYG meters have this facility?

Current Customer Payment Arrangement and Schemes V's PAYG's

EAG has had a long term interest in alternative arrangements and was instrumental in advocating for and assessing the effects of the various Victorian schemes over the years.

The only recent public data on this issue comes from the OTER Performance Report.¹⁶ OTER documents the number and type of Tasmanian payment arrangements and indicates some of the successes and failures with the program. EAG is unaware of any recent South Australian material on this issue.

There are a number of strengths and weaknesses of alternative payment arrangement schemes like a levelised payment plan where the customer pays a nominated sum of money on either a weekly, fortnightly or monthly basis based on a 12 month consumption. There are variants of the levelised payment plan where the schemes, include the payment of arrears as well.

In the current proposed South Australian PAYG arrangements, the 2nd tier retailer who has access to the meter gets paid before consumption occurs. The 1st tier retailer still has an investment in an Information Technology billing system that has to manage the existing alternative payment schemes. The 1st tier retailer has no choice but to manage the accounts for customers who either don't pay or who over or under pay the variety of schemes available to AGLE less than 160 MWh consumers. The 2nd tier retailer can minimise their risk by installing a PAYG meter.

AGLE the 1st tier retailer is still going to have to manage those customers who have an alternative payment arrangement as the draft Code has excluded the option of installing APAG meters for people/households with payment difficulties on a **Standing Contract** provided for in **Section 2.1.2.**

Some further protection to poor and disadvantaged consumers is also offered in **Section 2.2.3.**

EAG believes that there should be a clause in the draft Code that excludes a PAYG meter from people with a history of payment difficulties. However access to the

¹⁵ Aurora Energy (2004) Aurora Pay As You Go (APAG) Submission to The Office of the Tasmanian Regulator, June, Appendix A and B

¹⁶ Office of the Tasmanian Regulator (2004) Tasmanian Energy supply Performance Report 2003-04, December

appropriate information, plus the Privacy legislation, make it a difficult requirement to draft for the Code. EAG is of the belief that there a number of incentives on the 1st tier retailer to ensure that “problem” are not moved to a PAYG installation.

There are several payment arrangements, like the levelised payment plan or some variant of this plan in each jurisdiction that allows a consumer to pre pay. PAYG meters are not the only way that prepayment can occur currently any consumer who overpays their bill prepays for the next bill under most Australian retailer billing systems.

Billing Errors

There is significant evidence in both Victoria and South Australia that a number of 1st and 2nd tier retailers are having billing problems and transferring customers. Part of the evidence is based on an EAG members and other non members experiences of difficulty in dealing with retailers over billing issues. Part of the evidence comes from being told by industry participants about the turnover of businesses’ IT staff due to a failure to perform. Another part comes from hearing about the number of manual work arounds and amount of reworking of data and other associated transactions within a business. There is also the amount of reworking information between businesses and in addition NEMMCo¹⁷ reports that delivery of non-interval meter data has 90% delivery after 20 weeks, (within the jurisdictional metrology procedure requirements), but the Report shows that the data delivery actuals for 2nd tier non interval basic meters are running at around 95% for the 30 weeks settlement period as well as indicating that there some issues with the final settlement of the market.

It takes just over 6 months to settle each one week’s NEM trading for the less than 160 MWh customers between retailers and it would appear that there are still 5% of the 2nd tier settlement proceeds outstanding. This is not a significant issue with a low churn rate but this issue increases in significance as the customer churn rate increases. The industry has had four years since the start of FRC to try and remedy most of these problems and does not appear to be succeeding on the current evidence available to the EAG.

The significant cost inefficiencies are being worn by consumers. PAYG meters solve the retailer cash flow problems but fail to force them to fix their systems and processes. EAG is far from impressed with the role played by the various industry Ombudsman schemes in the PAYG debate. One of the other efficiency drivers in fixing up poor utility processes is the cost associated with running an industry funded Ombudsman scheme. To state the obvious! If the utility has bad processes that involve complaints then they end up paying to have the problem investigated and the cost to fix it.

EAG is of the belief that ESCoSA has made the allocation of a generous retail margin (along with a substantial risk premium to cover the volatile South Australian less than 160 MWh load) for the 1st tier retailer in each of the recent Retail Pricing Determinations.

¹⁷ NEMMCo (2004) Metering and Retail Market Development 2004 Annual Report, 28th June

The industry appears to be tardy in addressing the billing problems internal reworking and less than satisfactory B2B processes issue. EAG suggests that these problems are not being caused by consumers and therefore there should be some reduction in the standing charges component of the bill to pressure the retailers and the distribution business to sort out all these issues.

Allocation of NEMMCo Directions and Pass-through Payments

EAG understands that the SA retailers have the right to pass-through to all consumers NEMMCo directions and other market pass-through payments like the costs associated with the Reliability Safety Net.

Current rumours indicate that the combined jurisdictional cost of the NEMMCo 2005 Victorian /South Australian Reliability Safety Net is around \$ 17 m and there is the possibility of directions costs on top of this figure.

It is worth noting that at least one NEMMCo direction in the year 2001 cost Victorian licensed retail businesses \$20 m for one day.

How is the allocation of a NEMMCo Directions or other pass-through payments going to be accomplished with the current PAYG technology?

Part B: Proposed code amendments

Section 2.1.3

This needs two new clauses:

A retailer cannot move a small customer to a prepayment meter under a prepayment meter contract unless that customer has cleared their debts with the host/ 1st tier retailer.

See the comments in Part A under the heading Current Customer Payment Arrangement and Schemes V's PAYG's

A prepayment meter with out communications (a type 6 meters) be read on the same Meter Data Provider collection cycle as the surrounding type 6 meters owned by ETSA.

This clause requires the PAYG retailer/MDA to use the jurisdictional metrology procedure and not disadvantage the 1st tier retailer.

Section 2.3.2 (c)

This should also include a requirement:

“to show what charges will be allocated against the meter and meter infrastructure costs and what they will cost on a weekly and an annual basis.”

The customer needs to know what they are paying for!

Section 2.3.2 (g)

This clause doesn't help tenants who in a number of cases have little control of what they can afford to rent. This particularly applies to new consumers in energy inefficient housing stock with bad appliances and poor thermal performance. The PAYG meter will hide this issue. EAG suggests

“that a new occupant can request that the meter be removed at no extra cost to that consumer and the meter be removed within 14 days of the request by the new occupant.”

Section 2.4.2 (d)

Add a new clause:

“Provide information on the number of times that the meter has accessed the emergency credit facility.”

This requirement may help in addressing some low income payment difficulty issues.

Section 2.5.1

This needs two changes:

- 1) To make the **trial period 6 months** not the 3 months in the draft Code

Both TasCoSS and the Tasmanian Government in their submissions to OTER Issues Paper on PAYG meters believe that 6 months is a more reasonable trial time than the three months offered in the draft Code. EAG agrees!

- 2) The following condition needs to be added:

That the Retailer must notify the customer 14 days before the expiry of a six month trial period that the trial period is about to end and that they can request the removal of the meter if they so wish.

Section 2.5.1 (c)

This needs clarification. How do NEMMCo directions, other market charges and the Reliability Safety Net get allocated and passed through to the consumer if applicable?

Life support equipment

It may pay to include other special condition customers like Multiple Sclerosis sufferers who also have high energy requirements and are severely disadvantaged by disconnection. EAG supports the comments in the SACoSS submission on this and on issues around disability.

Section 2.7 1 (a)

Another Point v needs to be added:.

An estimate as to how long the credit in the meter will last the customer at their average consumption.

This requirement should help the customer know how long before they need to recharge the meter.

Section 2.7.1 (b)

This should read

“the Prepayment Meter does not disconnect supply to the small customer other than business days between the hours of 9.00 am and 3.00pm Mondays to Fridays”

It is most unpleasant spending Christmas, Easter and other public holidays in the dark without the ability to cook and stay warm or keeping cool.

Section 2.9.1 (a)

EAG strongly suggests that this section needs rewriting and tightening if PAYG meters end up being assigned to low income and disadvantaged consumers. It is written to cover customers with disposable income who want to manage their expenditure. It can be

described as the middle class approach to payments, assuming that every body has access to every day technology. EAG happens to be a member of and bank with the Fitzroy and Carlton Credit Cooperative, an organisation that specifically helps low income consumers. FCCC does not issue credit or debit cards and a number of FCCC customers are not phone users and certainly don't have access to electronic funds transfer facilities unless they use this organisation's facilities.

Statements like **convenient location** also need to be defined if they are going to be used..

Section 2.11.2 and 2.11.3

The retailer or the meter provider has provided the customer with a reasonably complex piece of equipment. The PAYG customer will be badly disadvantaged if the charge card reading facility doesn't operate correctly. EAG suggests that there be some compensation if the card reading facility is found to be faulty.

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