

# CUSTOMER SWITCHING IN THE NEM

## FIRST STAGE CONSULTATION

## PARTICIPANT RESPONSE TEMPLATE

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## 1. Context

This template is to assist stakeholders in giving feedback to the questions raised in the issues paper about the proposed changes to the customer switching process design in the NEM.

## 2. Questions raised in the NEM Customer Switching Issues Paper

Question No.	Question	Participant Comments
1	<p>Does the proposed change, to limit 1000 series CRs to a change of FRMP only, unreasonably restrict a retailer or other party from performing an action as required by the NER?</p> <p>Are there any additional considerations that AEMO has not presented?</p>	<p>Yes. Vector Metering believes there has been no case presented to remove the ability for the MC to nominated in the CR100x series. Current functionality allows the retailer to nominate the MC role in a single transaction. The proposed change would require the retailer to wait until the customer transfer has completed and then nominate the MC role with a subsequent transaction incurring a further objection period. This is inefficient.</p>
2	<p>Are the issues raised by AEMO regarding restrictions being placed on an MCs ability to object to an appointment reasonable?</p>	<p>No. MC's should not delay the customer transfer between retailers. Correction of role nomination can be performed after transfer should that be needed.</p>
3	<p>Does the removal of the notification of a pending customer switch unreasonably restrict retailers from being able to comply with the NER or NERR?</p>	<p>Vector Metering notes that the draft procedures remove the notification of a pending customer transfer to <u>all</u> roles, not just the current FRMP. Vector does not see the logic in removing these to</p>

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		<p>service providers who have no role in the customer / retailer relationship. Currently Service providers rely on retailers cancelling SO should they churn away from a customer. Should the proposal that the current FRMP not be alerted until after a churn away occurs prevail, then it is even more important that these notifications are sent to the service provider so that the any requested work can be suspended in a timely fashion. Allowing service providers to see a pending customer transfer, that can't be objected to, will allow scheduled work to be cancelled.</p> <p>Vector Metering notes that recommendation 8 from the ACCC only relates to the <b>losing retailer</b> receiving notification after the customer switch is completed. There is no mention of other parties and Vector cannot see a compelling reason why the current notification rules should be changed to exclude MDP/MP/MC or DNSP.</p>
4	<p>Are there any alternative design options that AEMO should consider facilitating prevention of a customer switch by a retailer based on a certified debt, which are consistent with the ACCC REPI recommendations for the removal of the notification of a pending customer switch and do not unreasonably delay customer switches in Victoria?</p>	<p>Given that Victoria has deployed remotely read meters to most customers, and the changes proposed in this consultation provide only provided benefit to those customers who have manually read meters it appears that leaving the current processes as they currently are does not impose any material disadvantage to the Victorian customers.</p> <p>Vector Metering notes that Certified Debt objections</p>

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		<p>is still valid under the jurisdictional rules.</p> <p>Vector Metering recommends that the existing process of notifications to current retailers be maintained for Victorian transfers so that the FRMP can object for reasons of DEBT as they are permitted to do in this jurisdiction. Requiring Victorian retailers to build a brand-new transaction to achieve an outcome that is already supported in the market today has only cost and no benefit.</p>
5	<p>Does the one business day timeframe proposed to enable the raising of the new Victorian certified debt objection CRC reasonably enable retailers to exercise the ability to prevent the customer switch?</p>	<p>Vector Metering does not agree that the new Debt Objection CR is required (See 4). However, should the proposed design be adopted, the proposed object logging period of 1 business day for a new DEBT objection CRC appears reasonable for the reversal.</p>
6	<p>Should AEMO seek to replace rather than redesign the current CRC with two new prospective CRs? If so, how might transactions 'in-flight' be treated upon implementation of the procedure changes and associated system changes?</p>	<p>No. Vector Metering supports option 2. Transitional arrangements can be made if required.</p>
7	<p>Is there a compelling reason to retain the use of the NSRD in the customer switching process? If so, what are these reasons; and what controls might reasonably be introduced such that its use no longer becomes commonplace and that customers benefit from the ability to access next-day switching?</p>	<p>Rather than retiring existing methods such as the use of the NSRD, the proposed design should complement the existing methods with new methods. Rather than changing the current definition of RR (Next Read Date) a new code indicating 'no actual read required' (maybe NA) should be contemplated. Retailers and Customers could then decide when</p>

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		<p>their load should switch.</p> <p>Vector Metering does not support the removal of NSRD as part of the switching process as customers may agree that an actual read is required and that waiting until the NSRD has been obtained is suitable.</p>
8	Is there value in retaining an ability for a prospective change of FRMP role to occur based on a special reading?	Vector Metering does not support the removal of SP as part of the switching process as customers may agree this is suitable.
9	With the NSRD no longer able to be used to facilitate prospective customer switches, is there value in maintaining access to the NSRD in NMI Discovery?	NSRD provides Retailers with information on the timing of manual read cycle. This information drives retailers billing systems. It seems that <u>removing</u> this from NMI discovery has no benefit and may introduce unintended consequences for retailers. Vector does not see a compelling case to remove this from NMI discovery.
10	How critical is the Read Quality information to the potential use of the Last Read Date for retrospective customer switching?	<p>Vector Metering’s understanding of the proposed design is that new data elements Last Read Date and Last Read Quality will be captured and will reflect the previous read.</p> <p>In circumstances where this Last Read was a substituted read (indicating access issues) then one could expect that the quality flag will most useful in indicating the risk related to the accuracy of the estimated read that retailers will use to support a transfer. The actual consumption (once determined)</p>

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		<p>could be different from the estimated consumption that would be used to finalise a customer bill.</p> <p>It appears prudent that the quality of the previous read this is made available to retailers.</p>
11	<p>Are there other matters that AEMO should consider regarding the three options presented, or any alternative options that AEMO might consider?</p>	<p>Re-purposing existing fields for another use is bad practice and should be avoided. If new fields are required in the data model, then create them.</p> <p>The effort required to make a change to a schema is not where the costs is. It is the processes required to populate and consume new data elements that create the cost. Where data sits in a schema is of little consequence.</p>
12	<p>Has AEMO reasonably presented the relevant considerations in relation to using recent readings to support customer switching? Are there any additional considerations that AEMO has not presented?</p>	<p>There are field activities that will be impacted by retrospective changes. While retrospective FRMP changes already occur today introducing processes that use a retrospective read date as a matter of course is likely to increase the occurrences of field work being performed on behalf of a losing retailer that is subsequently churned out of the role with an effective date that is prior to when the work was performed. This could result in customers being billed for field work performed on a day that the retailer no longer has a relationship with the customer (but did at the time).</p> <p>This could be very confusing for a customer.</p>

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13	Is the proposed 15 business day 'window' in which a recently-obtained metering reading could be used to support a retrospective in-situ customer switch reasonable? Are there additional matters that AEMO might consider in support of a lengthening or shortening of this 'window'?	15 days seems ok. Should there be a requirement you must use the latest previous read if there were more than one read available in the 15 days?
14	Is the proposed inclusion of a retrospective customer switch in the CRC 1000 a preferable outcome to the creation of a new specific CRC for this purpose (liked to question in section 3.1.2)?	Yes, however the changing read type codes is not necessary. There is already a Previous Read Date (PR) that can be used for retro CR1000 previous read date. RR should be left for NSRD. Customers and retailers may agree this getting an actual read at the Next Schedule Read Date is an appropriate trigger for the transfer to occur.
15	Is the proposed extension of five business days (from 10 to 15 business days) to the retrospective period within which a CR 1040 may be raised reasonable? Are there additional matters that AEMO might consider in support of maintaining the current 'window', or the lengthening or shortening of this 'window'?	15 days seems ok. Should there be a requirement you must use the latest previous read if there were more than one read available in the 15 days?
16	Should the use of a recent reading be limited to customers who have manually read metering installations? Smart metering systems should be able to provide readings for a specified date within the last 15 business days (e.g. if a customer with a smart meter can confirm the date of their recent bill is within the last 15 business days, why should the prospective retailer be restricted from retrospectively switching the customer on that date, so that the customer and participants can access the benefits of a retrospective customer switch as described in this	Yes. The reforms are about faster switching for customers. For customer already with a remotely read meter they already enjoy faster switching. Allow retrospective switching to a previous date should only be an option where no actual read is available. Why should a prospective retailer be able to transfer a customer to a time before they engaged with them?



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	section?	
17	Has AEMO overlooked any requirement or reasonable justification for the retention of the five embedded network-specific CRs?	No comment.
18	Do the changes adequately provide for retailers to comply with the cooling-off provisions and customers' exercising their right to cool-off?	No comment.
19	Is the redesign of an existing cooled-off error correction CR preferable to the creation of a new error correction CR for the purpose stated above?	No comment.
20	What problems, if any, might be caused by the removal of the error correction CRCs 1022, 1027 and 1028?	Vector Metering notes that these CR's were used on 25 occasions in 2018. Perhaps it would be prudent for AEMO to survey these participants to understand the scenarios that these were used under and determine if there are other transactions that could be used instead?
21	Should changes be considered to error correction CRCs 1020, 1021, 1023 and 1029 to better facilitate resolution of issues and errors for customer switching?	No comment.
22	Are the changes proposed to the objection codes available to MCs regarding MC role appointment reasonable?	Yes
23	Are there other unreasonable restrictions placed on appointing parties by the MSATS procedures that limit or prevent MSATS role appointment to align with the NER requirements at a	Yes. Vector Metering believes there has been no case presented to remove the ability for the MC to nominated in the CR100x series. Current

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	connection point that AEMO might consider?	functionality allows the retailer to nominate the MC role in a single transaction. The role change is complete in the market in concert with the FRMP change. The proposed removal of this functionality in the CR100x series would result in the retailer having to wait until the customer transfer is completed then nominate the new MC role with a subsequent MC change transaction incurring a further objection period. This is inefficient and not required.
24	Are there issues affecting the installation of metering that could reasonably be resolved by reducing the nominated MC's objection timeframe to zero days in MSATS?	No.
25	Would MCs reasonably be capable of determining whether to object to transfers if the objection period for MC nomination was reduced to zero days?	We don't believe MC should get in the way of customer transfers. Any erroneous role changes included
26	Are there further suggestions on changes to structure to improve the clarity and accessibility of sections 1 to 6 of the MSATS CATS procedures?	This is difficult to determine at this stage. Vector Metering thinks this question is better answered sometime in the future after participants have an opportunity to 'road test' the new version of the CATS procedures.
27	Do MSATS Participants believe that the proposed changes materially alter the obligations placed on them within the MSATS procedures?	Re-drafting the procedures to provide clarity should not introduce any new obligations. Vector has not performed any analysis on the impact of the re-drafting to determine if there are unintended consequences from the changes. If these do eventuate Vector expects this will be addressed via

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		the ERCF or other industry mechanisms.
28	Is the change to the reason code in the MDFF necessary?	Vector Metering does not believe this is necessary. Participants receipt of meter data is driven by the role assignments in the market. Where a role changes MDP's routinely send meter data to the new FRMP for periods that they are responsible for. Indicating that this is to support a customer transfer doesn't appear to be critical. Retailer will know when they have won or lost a customer.
29	Should other changes be considered to the MDFF to accommodate the changes proposed in this Issues Paper?	Not that Vector Metering can see.
30	Is the rationale described in this Issues Paper regarding the proposed timing for implementation reasonable?	No. Vector Metering will require vendors to make changes to its systems to accommodate the required process changes. MDP will be required to update Last read date and quality. Vendors are currently focussed on making other changes to meet other regulatory changes –e.g. ICF Metering Package, 5MS and GS, B2B v3.4; Vendors and participants do not have an endless pool of resources to design, develop, test and implement the changes proposed by AEMO. Vector could not meet a May 2020 timeframe.
31	Are there other considerations or proposals that AEMO might consider regarding the timing for implementation of the proposed changes?	These changes should be aligned to the other major milestones already agreed in the industry calendar. I.e. 5MS

### 3. Other Issues Related to Consultation Subject Matter

Heading	Participant Comments