

CUSTOMER SWITCHING IN THE NEM

FIRST STAGE CONSULTATION

PARTICIPANT RESPONSE TEMPLATE

Participant: Tango Energy

Submission Date: 21 November 2019

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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	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? Are there any additional considerations that AEMO has not presented?	Tango Energy acknowledges the restriction of the CR 1000 series to change only the FRMP and changes to MC, MDP and MPB can be effected by use of the CR6000 series. However, as a result of this, retailers will be required to manage two CRs in the event a New MC is nominated. This has process, system and cost implications. It needs to be demonstrated these changes and associated costs are warranted.
2	Are the issues raised by AEMO regarding restrictions being placed on an MCs ability to object to an appointment reasonable?	Where a MC is nominated by the FRMP in the 6300/1 it is expected the objections of CONTRACT, RETRO and DECLINED will still apply.
3	Does the removal of the notification of a pending customer switch unreasonably restrict retailers from being able to comply with the NER or NERR?	It is understood the notification of Pending occurs in the MSATS overnight batch process and the notification of Completed can occur within seconds of the Pending update. It is unlikely participants have processes linked to the receipt of the Pending status.

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4	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?	Tango Energy acknowledges the introduction of the CR code to allow for the reversal of a transfer back to the Previous FRMP in Victoria based on certified debt. There are system, process and cost implications with this change with respect to raising the 'objection' and receiving the notification of the objection.
5	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?	As the one day timeframe aligns with the current one day Objection period, the timing is viewed as reasonable. It is expected the 5 national business days notification of the objection by the new retailer to the customer and the 20 national business days resolution period will be accommodated under the proposed changes.
6	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?	The complexity and cost of process and system changes associated with the introduction of new CRCs outweighs those associated with changes to an existing CRC. Modifying existing CRCs will still allow automated processes to operate with minimal change.
7	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?	In light of the objective to reduce the time taken for a customer to transfer, use of the NSRD would appear counterintuitive given the NSRD can be up to 90 days or so in the future. The only consideration is a customer requesting the transfer on their NSRD, which again is unlikely as it is assumed the customer would want to take advantage of the New FRMP's

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		<p>offer as soon as possible.</p> <p>However, for 4A, 5 and 6 meters if the RR read type is going to produce an estimate, as no actual read is available, then the retailer may want the certainty of an actual read and not have to pay the costs associated with a SP. In these circumstances an NSRD would be appropriate.</p> <p>Providing information on the number of previous substitutions and the reasons for these will enable retailers to make informed decisions about the read type to be used for the transfer, avoiding over/undercharging and settlement issues.</p>
8	Is there value in retaining an ability for a prospective change of FRMP role to occur based on a special reading?	<p>It is understood the five Read Type Codes to be available are RR, SP, PR, UM and GR. There is concern over the use of the RR Read Type Code. It is understood for type 4A, 5 and 6 meter types, the MDP will provide a substituted read for the transfer as no site visit will occur. If this is a 'one off' substitution, the risk to the retailers involved in the transfer process is viewed as minimal. However, if there has been a series of substitutions prior to that provided for the transfer read, there is a risk that substantial over/undercharging could occur. If known to the Prospective FRMP these previous substitutions had occurred, the choice could be to select a SP. In order for retailers to make informed decisions regarding the transfer and to reduce the</p>

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		risks associate with over/undercharging, how does AEMO propose to make information available to the Prospective FRMP (e.g. number of consecutive previous estimates)?
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?	The NSRD for accumulation meters is still linked to the quarterly billing cycle and required on bills to notify customers when the next read will occur. The NSRD is provided in the NEM13 file. Having access to the NSRD when talking to the customer about transferring may be beneficial in terms of explaining they will transfer before their NSRD.
10	How critical is the Read Quality information to the potential use of the Last Read Date for retrospective customer switching?	The Current Quality Method will be used to determine if the read can be used for transfer. Refer also to the comments to Question 8. It may be appropriate to use the previous read if substituted but not if reads prior to the previous read have also been substituted. It is also noted the NEM13 contains the Previous Quality Method. This may also provide additional information, if provided in the NMI Discovery, as to whether the previous read is suitable to use for the transfer.
11	Are there other matters that AEMO should consider regarding the three options presented, or any alternative options that AEMO might consider?	Refer to 10 above.
12	Has AEMO reasonably presented the relevant considerations in relation to using recent readings to support customer	Refer to 10 above.

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	switching? Are there any additional considerations that AEMO has not presented?	
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 business days is viewed as a suitable retrospective timeframe for transfers.
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 questions in section 3.1.2)?	Yes. Refer to the response to Question 6.
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 business days is viewed as a suitable retrospective timeframe for transfers.
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 section?	What is the process of alerting the Prospective FRMP if the date provided by the customer and used for the transfer is outside the fifteen business day limit?

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17	Has AEMO overlooked any requirement or reasonable justification for the retention of the five embedded network-specific CRs?	Are there issues associated with 5MS/GS? The LR for a 10xx CR does not receive any status notifications nor can they object to the transfer. However, as the ENLR Objections can be raised i.e. NOTAPRD. In the marked up version of the MSATS CATS Procedures provided, the ENLR receives only the Completed status notification. This was commented on in the response to the Consultation on 5MS Metering Package 2 such that all status notifications are to be received by the ENLR.
18	Do the changes adequately provide for retailers to comply with the cooling-off provisions and customers' exercising their right to cool-off?	Yes. The NERR and Vic Electricity Customer transfer Code allow for transfers to be submitted during any applicable cooling off period providing the transfer can be reversed. With the changes proposed it is understood retailer can still submit transfers post the cooling off period.
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?	Yes. The use of CR1026 to revert the NMI to the previous retailer is preferred.
20	What problems, if any, might be caused by the removal of the error correction CRCs 1022, 1027 and 1028?	If it is possible for the MDP to provide an incorrect Actual Change Date then CR1022 should remain. If the Prospective Retailer cannot submit the CR1026 to 'return' the NMI to the Current Retailer within the required timeframe, then CR1027 will need to remain to advise of the reason for the transfer

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		It is expected the circumstance that triggers CR1028 will continue to exist; therefore the CR should be retained.
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?	The original intent of the error corrections was to provide transparency as to the reason for the need to 'win back' the NMI.
22	Are the changes proposed to the objection codes available to MCs regarding MC role appointment reasonable?	<p>Under the AEMO proposal, there is now a two stage process. The change of role – Retailer and the Change of role - MC. This will impact retail processes, systems and costs in order to ensure the submission of the change of MC once the change of FRMP is Completed.</p> <p>It is assumed a Change of role – MC will always be required even if the retailer intends to use the services of the incumbent MC or appoint a new MC.</p> <p>The objection of CONTRACT and DECLINED should still be applicable in instances where the MC or FRMP nominates the incorrect MC.</p>
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 connection point that AEMO might consider?	The NER requires the FRMP to appoint the MC who in turn appoints the MDP and MPB. With the proposed changes the FRMP role can change but there may be a delay to the appointment of the MC if there is an Objection lodged and so subsequent delays to the appointment of the MDP and MPB. The FRMP is then in a position of not having access to metering data as they have no relationship with the

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		current MC. How does the current proposal resolve this market issue which has existed for some time?
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. I would expect MCs would only install metering once they were appointed by the FRMP. It is unlikely the MC will provide services to a FRMP with whom they have no contractual relationship.
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?	I expect it would depend what processes MCs have in place to validate and confirm they will undertake the MC role or if there is an existing Contractual arrangement that prevents the appointment of the New MC.
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?	Not at this time.
27	Do MSATS Participants believe that the proposed changes materially alter the obligations placed on them within the MSATS procedures?	There are NERR and Vic Transfer Code considerations in terms of the timeframes required to advise customers of a successful transfer or a delay in the transfer. The proposed changes must ensure these NER and Vic Transfer Code obligation can be met.
28	Is the change to the reason code in the MDFF necessary?	Yes. The addition of Reason Code 67 – Transfer, adds clarity to the reason why the read was provided.
29	Should other changes be considered to the MDFF to accommodate the changes proposed in this Issues Paper?	Not at this time.

Question No.	Question	Participant Comments
30	Is the rationale described in this Issues Paper regarding the proposed timing for implementation reasonable?	The May 2020 delivery date of the customer switching changes is impractical. Participants are faced with the ongoing implementation of 5MS/GS. Existing resources would be stretched to deliver the switching changes and additional funding required.
31	Are there other considerations or proposals that AEMO might consider regarding the timing for implementation of the proposed changes?	Refer above.

3. Other Issues Related to Consultation Subject Matter

Heading	Participant Comments
	Not at this time.