

Submission on

Draft Amendments to the Electricity Network Service Provider Registration Exemption Guideline

Q 4- Other proposed Amendments

1. I whole heartedly support all the proposed changes for dispute resolution. I believe this is important as I have been informed that our network service provider/on-seller does not have a dispute resolution process.
2. 4.2 who pays for a metering upgrade
While reformatting 'who pays for a meter upgrade' is easier to read in table form, it does not consider who pays for an upgrade where there is an existing unmetered installation that needs to be upgraded to meet an exemption category. I believe that this table should include the situation where there is an existing unmetered installation that is currently not deemed exempt and are not currently registered as exempt and should be upgraded. I am in a situation where the developer provided an unmetered installation and unsuspecting owners have been left to deal with the remaining problems arising from an unmetered site.
3. Section 4.8.1.1 appears only to apply at the start of "their tenancy/electricity sale". It should apply to existing customers who have never received any information about their rights as an exempt customer, and it should particularly apply when there are changes to these rights as guidelines or legislation change or the network setup changes.
4. Deemed exempt network service providers (NSP) should be registered with AER because:
 - a. The AER are unaware of the situation of these installations and the guidelines may not address the complexities of some deemed exemption classes
 - b. The deemed exempt NSP's may be unaware of their obligations and any changes to rules and regulations. This is certainly the case with my NSP/on-seller.
5. Section 2.1.1 Basic exemption conditions - Unmetered supplies
 - a. I believe that the guideline needs stronger and clearer wording regarding unmetered supply
 - b. This section states "Existing registered unmetered installations are not required to be upgraded" but it needs to state what should happen to existing unregistered unmetered installations. I would like to see it stated that "all unmetered installations that are not registered (with the exception of ND6) need to be upgraded. I would also like to see the loophole closed in the Retail Exempt Selling Guidelines where "selling" of electricity can be avoided by including the cost of electricity in a fixed charge e.g. Body Corporate Admin cost. If this loophole continues, it means that the AER guideline will allow the situation where some owners subsidise the electricity use of other owners. This is particularly apparent as our strata titled units are for holiday accommodation and occupancy rates vary.
 - c. There is also a need to clarify "If energy is being supplied at no cost or as part of a broader commercial arrangement, an unmetered supply is permitted". This is unclear if this relates to the situation where a body corporate includes the cost of unmetered electricity for all lots within an admin fee to avoid the requirements of the AER (Retail) Exempt Selling Guidelines. If it does, it means that the AER guideline will allow the situation where some owners subsidise the electricity use of other owners.

6. In 4.1 it states “Note that the AER does not approve unmetered supplies except in unique or exceptional circumstances.”
 - a. How does the AER become aware of unmetered supplies if the electricity supplier has no awareness of their responsibilities and have not engaged with the AER?
 - b. It is unclear what the process is to determine whether a circumstance is “unique or exceptional”.
 - c. How does the embedded network owner become aware of its responsibilities if they are unaware that they are a network service provider and subject to certain conditions?

7. In 4.1 it also states “Metering is not required if no charge is levied for electricity or for the recovery of energy supply costs from a tenant or co-tenant.

That it only applies to tenants or co-tenants seems to be at odds with the statement in the Retail Exempt Selling Guideline Section 2 where it states “we do not consider energy is being sold where energy costs are only one part of another fixed charge (for example, a hotel tariff or rent that includes energy costs)”.

This section of the Retail Exempt Selling Guideline seems to indicate that if a body corporate includes the cost of unmetered energy in the body corporate administrative fee then they are not selling energy and therefore would meet ND1 or NR1 for supply of energy.

If this is valid, it means that the AER guideline allows the situation where some owners subsidise the electricity use of other owners.

8. Another area of confusion is whether there are less than or more than 10 customers within the limits of a site. Where there is more than one building on a strata titled site and each building has its own NMI but the power bill for each NMI is added together and then split between the owners from each of the buildings, is a site the whole strata titled complex or each NMI/building a site. This is an important distinction as it changes whether Table 1 or Table 3 may apply to the exemption.
9. I strongly believe that the on-selling of LPG gas (where it involves more than one owner receiving gas from the same bottle supply) should also be included in your consideration. Our strata titled unit complex has a number of LPG bottles that connect to the apartments for heating and hot plates. This gas supply is unmetered and there are significant hurdles to metering:
 - a. The gas supplier has indicated that they would be unlikely to agree to metering as this would result in significant compliance where the cost would be prohibitive
 - b. There is not a separate gas pipe to each lot.
 - c. Although I have disconnected the gas in my unit, I am still being charged a percentage of the gas supply costs.