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19 February 2014

Mr Warwick Anderson  
General Manager - Network Regulation  
Australian Energy Regulator  
QLDelectricity2015@aer.gov.au

Dear Mr Anderson

Thank-you for the opportunity to respond to the Preliminary positions paper 'Framework and approach for Energex and Ergon Energy' for the regulatory control period commencing 1 July 2015, issued in December 2013. COTA Queensland believes that everyone, regardless of age, health status, wealth or social status has a fundamental right to sustainable, ongoing, secure and affordable access to energy.

We are concerned about the proposal in the Preliminary positions paper to change type 5 and 6 metering services from a Standard control to an Alternative control regime (Section 1.3.3). We anticipate this may have a considerable impact on the residential consumers whom we represent.

We understand that the rationale behind this proposal is to eliminate structural issues that would form an impediment to the introduction of competition for metering services in the future, and that it is consistent with the recommendations of the Australian Energy Market Commission's Power of Choice Review. If and when viable competition emerges in this area, we expect that residential consumers would benefit from the availability of a wider range of metering options and potential suppliers, and lower costs overall. At this stage however we offer cautious support to the proposed change with some significant reservations.

Our concerns are as follows:

- 1) The Preliminary positions paper contemplates a charge per meter so that customers with more than one meter would pay extra for multiple meters. For residential customers we believe that this approach would be unreasonable, as often the customer has no control over the number or types of meters actually installed by the distributor. In addition, this approach would also provide a perverse disincentive for customers to adopt more energy efficient controlled load services if it required the installation of a separate meter.

We understand that, as an alternative, it would be possible to allocate metering charges on the basis of the National Metering Identifier (NMI). We believe that this would be preferable from a customer perspective and would address our concerns in this area.

2) We are also concerned about the timing of implementation and the potential for consumer confusion and frustration. Should this change proceed, it would be expected to apply to customer bills from 1 July 2015. The Queensland Government is considering the removal of regulated price-setting and the introduction of a price monitoring arrangement in south east Queensland (plus changes to uniform tariff arrangements in the rest of the state) from 1 July 2015, as well as the introduction of the National Energy Customer Framework in a similar timeframe.

Combined, all of these reforms will have a major impact on residential consumers statewide. While neither the Australian Energy Regulator nor the distribution businesses have responsibility for the changes proposed by the Queensland Government, we believe all parties in the industry need to be cognisant of the overall effect of the proposed changes on consumers.

Previous electricity reform programs have not paid adequate attention to consumer education and awareness. Consumer awareness, understanding of, and participation in the electricity market in Queensland is therefore generally very low. We request that a co-ordinated and co-operative approach be taken to implement any changes that have an immediate impact on consumers.

If you require additional information about COTA Queensland or its energy policy position, please contact me on telephone (07) 3316 2999 or by email to [mte@cotaqld.org.au](mailto:mte@cotaqld.org.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Tucker-Evans', written over a horizontal line.

Mark Tucker-Evans  
**Chief Executive**