



20 June 2008

By email: amireview@esc.vic.gov.au

AMI Review
Essential Services Commission
2nd Floor, 35 Spring St
Melbourne VIC 3000

Dear Mr Madden,

Interval Meter Reassignment Requirements

Consumer Action Law Centre (**Consumer Action**) welcomes the opportunity to comment on the Essential Services Commission's (the **ESC**) Interval Meter Reassignment Requirements (the **Requirements**).

We broadly support ESC's intention to ensure consumers are appropriately informed about changes to their tariffs, following the rollout of interval meters. Nevertheless, we have some concerns regarding the implications of distributors contacting consumers relating to a tariff that applies to consumers through retailers, not to consumers directly.

The general level of awareness of consumers regarding electricity is based upon a bi-monthly or quarterly bill from their retailers. Any information about tariffs provided by distributors may cause confusion, particularly with the introduction of a new tariff structure that, while indirectly affecting consumers through their use of electricity and the way the tariffs are applied, will not be visible to them on a daily basis as the bills they receive include only the retailer tariff and fixed charges.

To ensure consumers are adequately informed of the changes it is essential that a co-ordinated consumer education campaign accompanies the rollout of interval meters and that the retailers, as the primary point of contact for consumers, play a key role in informing consumers of any tariff changes as opposed to distributors. We believe that this communication should be presented in a clear and consistent format, as determined by the ESC and include:

- A summary of the changes to the distribution tariffs;
- The reason for the tariff reassignment;
- The commencement date of the new distribution tariffs;

Consumer Action Law Centre
Level 7, 459 Little Collins Street
Melbourne Victoria 3000

Telephone 03 9670 5088
Facsimile 03 9629 6898

info@consumeraction.org.au
www.consumeraction.org.au

- The distribution tariff code and the new distribution tariff rate;
- The appropriate distribution company contact details for customers to query issues associated with the change in tariff;
- Advice to the customer about how they can obtain more information on interval meter tariffs.

The role of retailers to distribute this information should be supported with information provided by the Victorian Government and the ESC, each of whom interfaces with consumers directly, over the course of the AMI roll out.

We agree that notification to customers can be provided 30 business days prior to the tariff change. However, should the change in distribution tariff result in the retailer wishing to change tariff structures on a retail contract, we note that clause 20 of the Energy Retail Code will apply, in addition to the *Fair Trading Act 1999* (Vic). Clause 20(a) of the Energy Retail Code provides that the tariff and any terms and conditions of an energy contract can only be varied by agreement in writing between the customer and the retailer. This is appropriate consumer protection and should apply in the context of re-assignment of distributor tariffs as a result of the AMI rollout.

We note that clause 20(b) of the Energy Retail Code states that if the amount of the tariff changes in accordance with some terms or condition of an energy contract previously agreed between the customer and the retailer, no further agreement is required. This provision does not allow a retailer to include a term that allows unilateral variation of a tariff or terms or conditions. Such a term would be an unfair contract term pursuant to Part 2B of the *Fair Trading Act*.

It is our view that should the retailer attempt to vary the tariff or any term or condition of a market contract, when this was not explicitly provided for upon contract negotiation (that is, the precise change in tariff or term or condition), then the term should also allow a consumer to exit the contract without penalty. Such a right should be guaranteed before such term could be considered fair. For standing contracts, it is our view that a consumer should be given 90 days (not 30) to seek an alternative contract or sustain the change in tariff.

Should you have any questions in relation to this submission, please contact me on 03 9670 5088.

Yours sincerely

CONSUMER ACTION LAW CENTRE



Janine Rayner
Senior Policy Officer