

Cathryn Greville
Assistant Director, Customer Protection
Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

Dear Cathryn,

RE: Proposed Amendments to Compendium of Gas Customer Licence Obligations

Thank you for the opportunity to make a submission to the Economic Regulatory Authority (**the Authority**) on the proposed amendments to the Compendium of Gas Customer Licence Obligations (**the Compendium**). ATCO Gas Australia wishes to provide the following comments on the new reporting requirement on retailers in relation to billing.

a) Timing for issuing bills

The new clause 4.1(b)(iii) of the Compendium states that –

4.1 Billing cycle

*A **retailer** must issue a bill –*

(b) at least every 3 months unless –

*(iii) the **retailer** has not received the required metering data from the **distributor** for the purposes of preparing the bill, despite using best endeavours to obtain the metering data from the distributor.*

The new clause 13.2(a)(i) then requires the retailer to keep a record of the number and percentage of the late billing that fall within clause 4.1(b)(iii), and publish a report with this record on an annual basis under clause 13.15(a).

ATCO Gas Australia is a gas distributor, and is bound by the REMCo Retail Market Rules and the approved Access Arrangement in relation to the frequency and timing of providing metering data to retailers. Pursuant to these requirements, ATCO Gas Australia is required to read meters approximately 4 times each year at intervals of approximately 100 days, and provide the metering data to retailers within 3 business days after the assigned reading day for the meter.



The current requirement on retailers to issue a bill at least every 3 months (equates to around 91 days) is not aligned with the requirement on ATCO Gas Australia to provide metering data. The consequence of this mismatch is that some retailers are potentially required to estimate metering data and issue a bill prior to receiving the required metering data from ATCO Gas Australia.

To address this issue, it is noted that the Authority has recently amended Alinta Energy's trading licence to change the billing frequency from every 3 months to every 110 days. As part of the decision to amend Alinta Energy's trading licence, the Authority expressed the view that it would not be appropriate to apply this change to the Compendium, as the Compendium applies to other gas trading and distribution licensees who may not be affected by this issue.

ATCO Gas Australia notes that the misalignment of billing could affect other existing and potential retailers entering into the Perth gas market. ATCO Gas Australia suggests that the Authority should assess whether the billing frequency issue identified by Alinta Energy also affects any other retailers, and reconsider whether the 3 months time limit should be amended.

At a minimum, ATCO Gas Australia submits that clause 4.1 be amended to address the changes made to Alinta Energy's trading licence, so as to ensure that Alinta Energy is only required to keep records and report based on 110 days, and not 3 months.

ATCO Gas Australia is concerned that Alinta Energy would be required to publish a report under clause 13.15(a) based on the 3 months requirement, which may significantly overstate the number of bills not issued within time limit due to metering data not received from ATCO Gas Australia. Such a report could cause damage to ATCO Gas Australia's reputation, as the report would unfairly represent that there is a billing delay and ATCO Gas Australia caused the delay, when in fact both parties have complied with all of their obligations.

b) Reporting on late bills under 4.1(b)(iii)

ATCO Gas Australia submits that clause 4.1(b)(iii) should be clarified to ensure that it only covers the situation where the distributor has failed to meet its obligations to provide metering data to the retailers within the specified time limit.

ATCO Gas Australia is concerned that the proposed wording of clause 4.1(b)(iii) is subject to interpretation, and could result in a public report being published pursuant to clause 13.15(a) overstating the number of incidents where the retailers have failed to meet their billing obligation due to delay by the distributor in providing metering data, when in fact the distributor has met its obligations. The publication of such a report would give the erroneous impression that the distributor has not operated effectively, and cause damage to the distributor's reputation.

ATCO Gas Australia proposes that clause 4.1(b)(iii) be amended to include a reference to the applicable requirement on the distributor to provide metering data. Below is the suggested wording for clause 4.1(b)(iii) –

(iii) the **retailer** has not received the required metering data for the purposes of preparing the bill from the **distributor** within any applicable regulated time limit for providing metering data, despite using best endeavours to obtain the metering data from the **distributor**.

Should you have any queries in respect of the information provided, please do not hesitate to contact Deborah Evans on 6218 1722.

Yours sincerely,

Brian Hahn
President
ATCO Gas Australia

5 October 2012

By email: publicsubmissions@erawa.com.au