

23 September 2016

Dr Pat Walsh
Commissioner
Utilities Commission
GPO Box 915
DARWIN NT 0801

Via Email: utilities.commission@nt.gov.au

Dear Commissioner,

Subject: Application to Amend the Electricity Retail Supply Code

On 29 July 2016, the Utilities Commission released a consultation paper requesting submissions on PWC's request for amendments to the Electricity Retail Supply Code.

Rimfire Energy notes that the timeframe for making such submissions has been extended to 23 September 2016 and is pleased to provide this submission regarding the consultation paper.

While Rimfire Energy is broadly satisfied with the majority of requested amendments to the Code, there is a level of concern regarding the matter of Issue 7 – Requirement of interval metering, and specifically regarding the proposed attribution of costs to the requesting retailer and ultimately then to the end-use customer.

It is worth noting that this practice of (a) requiring remote communications enabled interval metering for a customer to be considered contestable, and (b) passing these costs on to the requesting retailer is already what occurs in the market from a practical perspective.

Rimfire Energy further notes in the section of the consultation paper titled History of the Retail Supply Code that it is claimed that full retail contestability has been achieved in the Territory via a staged approach to contestability. However, Rimfire Energy believes that this is not the case due the fact that the vast majority of connections for small business and residential customers still have accumulation meters installed and are therefore not technically contestable sites.

The costs associated with upgrading the metering to allow for the customer to participate in the claimed full retail contestability can be significant and are an enormous deterrent to promoting fair competition in the electricity retail sector. Yet without the customer incurring those significant costs, they are unable to participate in contestability and therefore have no choice but to remain with the NT Government owned retailer.

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It is Rimfire Energy's further view that this situation is contrary to many of the stated objectives of the Code, specifically the objectives to:

- promote competitive and fair market conduct;
- prevent misuse of monopoly or market power;
- facilitate entry into relevant markets; and
- ensure consumers benefit from competition and efficiency.

Rimfire Energy believes that all interval meters should be enabled with remote communications functionality where this is possible where this helps to achieve operational efficiency objectives for PWC, however we also believe that every customer should be entitled to participate in full retail contestability without having to incur significant costs to do so.

In other words, it is our view that every customer should be entitled to have a remote read interval meter installed at their premises at no cost to them, if this is what is required for them to participate in competition in the sector.

Rimfire Energy does not have a view on whether the costs of a suitable interval meter upgrade program should be met by the NT Government directly, or via PWC as the owner and operator of the electricity network infrastructure, including the meters installed at customer premises, however we are firmly of the view that none of these meter upgrade costs should be borne by the consumers, which will largely be the outcome if the cost is levied on second tier retailers.

Kind regards,

Michael Allen
Managing Director
Rimfire Energy Pty Ltd