## Consultation on monthly meter read requirements for allocation group 4 ICPs

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Question	Comment						
Could less frequent meter readings result in delays in detecting and addressing metering problems?	Yes. Nova agrees with the GIC's assessment that less frequent meter readings, without mechanisms in place to aim for 100% compliance, could cause an increase in UFG and higher inaccuracies in consumption data.						
	There needs to be a practical minimum requirement for frequency of meter reads. Nova supports a minimum of at least one read every 4 months.						
	Delays in detecting and addressing metering problems could be minimised if meter reads are staggered appropriately. As an example, if a maximum allowable limit of 1% 'no read' at 4 months could be adopted, instead of 10%.						
What are the costs involved in reading meters for AG4 consumers?	The costs involved in reading meters for AG4 consumers varies by NSP and region. Nova can discuss details with the GIC on a confidential basis if requested.						
Would these costs vary under the different options presented in this document?	The proposed options would not incur a significant variance in cost for Nova. Nova would continue to aim to read all meters monthly to avoid unnecessary estimates and consequent inaccuracies.						
Are retailers ok with short term UFG provided it is washed up?	Nova is not comfortable with this approach.						
What is the impact of short-run UFG on wholesale and transmission commercial arrangements for each of the proposed options?	Option 2 would not be ideal if 10% of AG4 ICPs were estimated at the interim allocation wash-up. By the time of the final wash-up, it is often too late to identify any UFG. Unless the GIC intervenes with special allocations, prompt action would be needed if UFG is detected during the interim allocation by the allocation agent or retailer.						

	The interim allocation period is already complex, especially since the allocation agent may struggle to attribute errors to specific retailers amidst numerous variables and potential retailer mistakes. For instance, if 10% of AG4 ICPs are estimated during interim allocation stages, this could potentially mean estimating 40% of AG4's total gas volume or 30% of both AG4 and AG6 combined (based on Nova's customer distribution for one month). Allowing 30% of all non-TOU gas reconciliation volumes to be estimated is excessive. The same scenario applies for proposed option 3.
What is your perspective on the optimal balance between the costs of obtaining monthly meter readings and the negative consequences of short-term allocation inaccuracies?	More estimates mean greater variation, which translates into higher UFG volumes, costing more to retailers. While Nova, and most retailers make efforts to obtain actual monthly readings, a degree of flexibility is reasonable to alleviate the requirement to obtain readings when legitimate events make that difficult.
What is your preferred proposed approach to AG4 meter reads? Does this approach have any negative impacts on existing customers?	Nova supports a modified option 2, i.e. aiming for an option to achieve closer to 100% compliance over a 4 month period. This aligns more closely with what Nova aims for its own customers. It would mean ensuring that <b>all</b> AG4 meters are attempted to be read every 4 months. Over a rolling 12-month period, at least 90% (ideally 99%) of AG4 meters should be read every 4 months. This means no more than 10% of AG4 meters should go unread for 4 months. This approach involves tallying all meters that have not been read in <b>any</b> 4-month period over the previous year (the point being that this is 10% over a 12-month period, rather than at a single point in time). See image as example.

			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec						
Green = rea	ad OK in month	ICP1	0	0	0		0 0	0	0	0		) (	0	(						
Red = not r	ead in month	ICP2	0	0	0	0 0	0 0	0	0	C	0	(	0	(						
		ICP3	0	0	0	0 0	1	1	1	1	1	1	0	0						
		ICP4	0	0	0		0	0	0	0	0		0	(						
		ICP5	0	0	0		0	0	0	0	0		0	0						
		ICP6	0	0	0		0	0	0	0	0		0	0						
		ICP7	0	0	0	0 0	0	0	0	C	0	(	0	(						
		ICP8	0	0	0	0	0	0	0	C	c	(	0	(						
		ICP9	0	0	0	0	0	0	0	C	0	(	0	(						
		ICP10	0	0	0		0	0	0	0	0	(	0	(						
	No. of ICPs		10	10	10	10	10	10	10	10	10	10	10	10						
Option 2	ICPs not read in last 4 months		-		-	-	-	-	-	1	1	1	-	-						
Option 2	%		0%	0%	0%	0%	0%	0%	0%	10%	10%	10%	0%	0%	e.g. Dec 10%	e.g. Dec 10% of ICPs not read in last 4 months				
'Option 4'	ICPs not read every 4 months in last 12 months		-	-	-	-	-	-	-	1	1	1	1	1						
'Option 4'	%		0%	0%	0%	0%	0%	0%	0%	10%	10%	10%	10%	10%	e.g. Dec 60% (	e.g. Dec 60% of ICPs with 4+ month gap in reads in last 12 m				
Option 1	ICPs not read monthly		-	-	-	-	1	1	1	1	1	1	-	-						
	%		0%	0%	0%	0%	10%	10%	10%	10%	10%	10%	0%	0%						
Option 3	ICPs not read bimonthly		-	-	-	-	-	1	1	1	1	1	-	-						
	%		0%	0%	0%	0%	0%	10%	10%	10%	10%	10%	0%	0%						

Retailers should be required to estimate readings permanently after 12 months if they cannot read a meter by then. This estimated reading would be treated as an actual reading for reconciliation purposes. If, under proposed option 2, 10% of AG4 ICPs remain unread at 4 months, it is expected that a higher percentage will still be unread by 12 months (compared to required monthly readings). Rules should clearly outline how retailers should manage the increased number of estimated AG4 ICPs during final washups under more relaxed rules.

In Nova's view, this strikes a good balance—easy enough to measure yet not allowing a blanket 10% of estimated meter readings continuously. In practice, this approach should aim for compliance above 90% but below 100% when compared to proposed option 2.

While not directly impacting consumers, option 2 as proposed will also have an impact on network charges. These are calculated based on normalised consumption from meter reads, as per allocation agent submissions. In some networks, washups—neither interim nor final—are not conducted. Therefore, any updates to meter reading rules might also need to enforce standardising formats or implementing washup cycles for network charges, mirroring the approach taken for electricity EIEPs.