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Ms Nicola Cusworth
Chair - Economic Regulation Authority
PO Box 8469
Perth Business Centre WA 6849



Dear Ms Cusworth

RE: Horizon Power's support for the deployment of Advanced Metering Infrastructure (AMI) in the SWIS - Western Power Access Arrangement (AA4)

The purpose of this submission is to provide support for Western Power's proposed deployment of Advanced Metering Infrastructure (AMI) within the SWIS.

AMI is a key enabler of the 21st century electricity system and has delivered significant positive benefits to Horizon Power and its customers since deployment was completed in 2016. In this time, Horizon Power and the State have witnessed qualitative and quantitative benefits from AMI that have:

- Contributed to Horizon Power's \$100M subsidy reduction, and
- Provided significant value to customers by reducing safety risks, placing downwards pressure on tariffs, significantly reducing once-off service fees and giving customers more choice in how they use electricity.

Customer benefits from AMI include accurate invoices (no longer estimated), on-time invoicing, and reconnection of power following either a disconnection for non-payment or moving in within three hours of the request. Common operation (and societal) benefits provisioned through the AMI program includes remote meter-reading, remote de-energisation and re-energisation, and fault diagnostics.

Horizon Power has improved safety monitoring and developed new services and products, which combined are not available anywhere else in Australia. Additional key benefits which could be delivered to customers in the SWIS, include:

Safety: neutral integrity reporting and management

Using AMI voltage and current data, Horizon Power has developed an algorithm that identifies customer premises that may have a neutral fault in their premise. Local crews are automatically sent to investigate and de-energise properties if unsafe.

Customers informed to make better choices

Leveraging the AMI interval data, Horizon Power launched a customer application (known as HAPP) in 2017. This APP provides a breakdown of customers' electricity usage so they can better understand how they are consuming power. The HAPP also

estimates current expenditure and projects a bill, reducing customer bill shock and providing them with the tools they need to change their behaviour and save money. Real-time payments are also available, which speeds-up the time to reconnect customers.

Outage Management and Call Centre efficiencies

Horizon Power has integrated AMI with its call centre outage management technology to provide for faster fault diagnostics, identification of nested outages and monitoring of energisation status of properties. This helps to ensure network outages can be prioritised and responded to as efficiently as possible and minimise call centre handling times and call volumes.

Efficient and understandable pricing

In parallel with the introduction of AMI, Horizon Power researched alternative pricing models. The research and industry engagement conducted over four years resulted in *MyPower*, a product pricing structure based on a contract maximum demand tariff, rather than the traditional daily fee plus volumetric charge. Using *MyPower*, customers can control their energy consumption (ideally by avoiding peak periods) and reduce their costs. *MyPower* addresses the new and emerging problems for customers and utilities through:

- Enabling customers to reduce their electricity bill by shifting energy use outside peak times or by investing in technologies such as solar PV and battery storage;
- Providing information to customers that enables them to understand what appliances and behaviours drive their electricity bill;
- Ensuring bills are more predictable and reducing bill shock; and
- Providing for the cost drivers of electricity service provision to be better aligned to the payment for that service.

Pre-payment – Products for vulnerable customers

The AMI system underpins the pre-payment system by reading meters regularly to determine current account balances and executing commands to re-energise / de-energise in real time. This system provides customers the ability to appropriately manage and prioritise the availability of electricity, which is particularly useful for vulnerable customers. Direct feedback from customers in particular communities have appreciated the smaller, more frequent payments rather than receiving a significant invoice over two months that they have no ability to repay.

In summary, Horizon Power strongly encourages the deployment of Advanced Metering Infrastructure across the SWIS to enable the significant benefits for network operators, retailers and customers, as witnessed from Horizon Power's AMI deployment.

Yours sincerely,

Terry Absolon
Manager Customer Service