



Listen Assist Resolve

7 June 2012

Mr Phil Waren
Senior Regulatory Manager, Energy
Essential Services Commission
Level 2, 35 Spring Street
MELBOURNE VIC 3000

By email: Phil.Waren@esc.vic.gov.au

Dear Mr Waren

Re: Smart Meter Privacy Impact Assessment - Draft Report May 2012

Thank you for the opportunity to comment on the Essential Services Commission (ESC)'s *Smart Meter Privacy Impact Assessment - Draft Report May 2012* (the report).

The Energy and Water Ombudsman (Victoria) (EWOV) welcomes the ESC's 16 recommendations detailed in the report. It is reasonable that energy companies make necessary operational changes and incur resultant costs to adequately protect the privacy of customers' smart meter data.

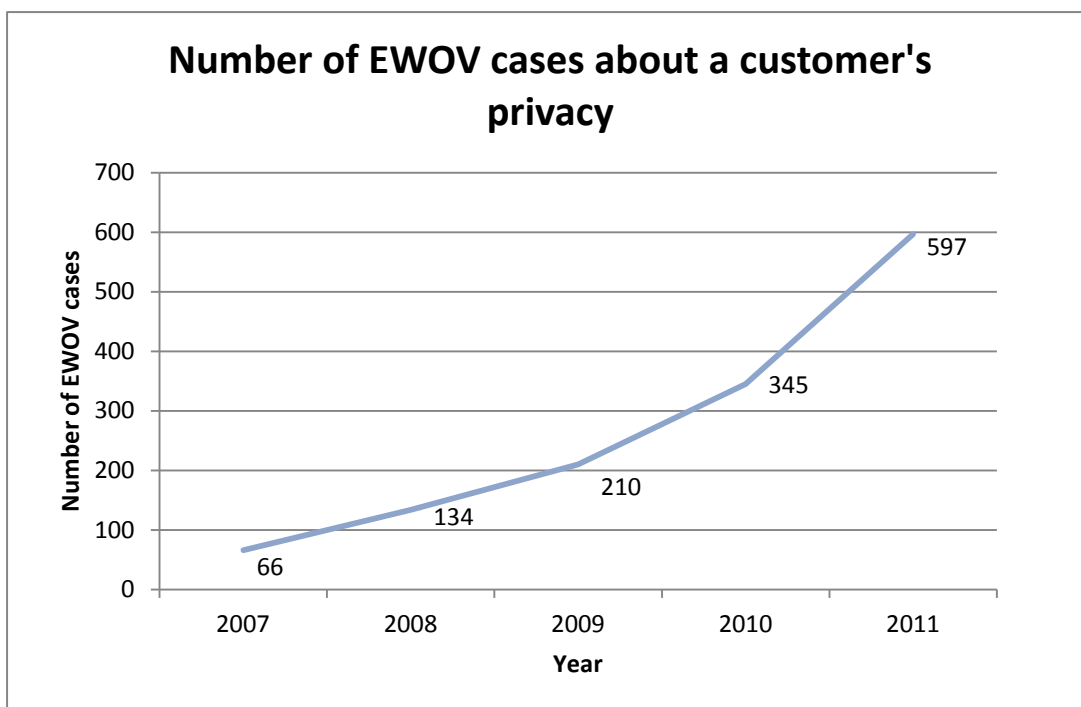
This submission provides details of EWOV's case handling experience in matters where customers have a privacy concern. We also respond to ESC recommendations 14 and 15.

EWOV's case handling experience

The graph below shows the number of EWOV cases received each calendar year since 1 January 2007, from customers who were concerned about their privacy¹.

¹ The following qualifications need to be taken into account when reviewing EWOV case data:

- Customers sometimes lodge more than one case. For example, if a customer states that they have concerns about both their electricity and gas accounts, EWOV may register two distinct cases for the same customer.
- Customers sometimes re-contact EWOV. For example, customers sometimes re-contact EWOV because their concerns remain unresolved after previously being referred back to their company. This can result in EWOV registering an additional case for further investigation.



This graph clearly illustrates a steady growth in the number of cases EWOV received where customers were concerned about their privacy, with a 73% case increase in this type of issue from 2010 to 2011. However, from 1 January 2012 to 31 May 2012, EWOV received 138 cases about customer privacy issues, which is a 37% decrease from the same period in 2011 (220 cases).

From 1 January 2009 to 31 May 2012, EWOV received four cases about privacy and smart meter data. They were received from two customers. One customer was concerned that smart meter data could be accessed by third parties and interpreted to determine whether a person is at the property². Another customer had general undefined privacy concerns about smart meters being remotely read³.

As more smart meters are installed in Victoria, EWOV may receive an increase in customer complaints about privacy and smart meters. Customers may also contact us with privacy complaints about companies that fall outside our jurisdiction to investigate, such as third party providers of energy services (e.g. in-home display units).

Recommendation 14 - EWOV

EWOV agrees with the ESC's recommendation that we should collect specific case data to report on complaints concerning smart meters and privacy. We are currently able to extract this case data from our case handling database, known as Resolve. However, to make the identification of these types of issues easier and more transparent we will create a new

² EWOV case references C/2011/5021 and C/2011/5024.

³ EWOV case references C/2010/11626 and C/2010/11628.

issue category. From 1 July 2012, EWOV will introduce the issue 'Customer Service > Privacy > Smart Meter' into Resolve and instruct relevant staff about when to select this category.

To ensure uniformity in our reporting, members of the Australia and New Zealand Energy and Water Ombudsman Network (ANZEWON), use the same complaint issue categories. EWOV will advise ANZEWON of the new sub-category so that there is consistency across energy Ombudsman schemes should smart meters be rolled out to other jurisdictions.

EWOV proposes that we use our current Advanced/Solar Meter Report to report on cases concerning privacy and smart meters. From June 2012, this report will be produced on a quarterly basis, instead of six monthly, to provide more timely identification of any issues and case trends. Our Advanced/Solar Meter Report is sent to regulators⁴ and government departments⁵ and a de-identified copy is given to the relevant scheme participants and made available to the public through our website.

EWOV also has a fixed meeting schedule with the ESC and Australian Energy Regulator which we believe is mutually sufficient for our current needs. As a minimum, we meet on a monthly basis. However, we welcome any suggestions on whether this can be improved.

Recommendation 14 – Consumer Information

EWOV supports the development of consumer information to help customers understand how third party providers of energy services store and use smart meter data.

EWOV has no direct experience in handling complaints about third party providers, as this lies outside of our jurisdiction to investigate. Accordingly, EWOV's details should not be included in the provision of consumer information about third party providers. In Victoria, consumers who have problems with third party providers can contact Consumer Affairs Victoria and the Australian Competition and Consumer Commission, or file an application with the Victorian Civil and Administrative Tribunal.

We trust the above comments are helpful. If you require further information or have any queries, please contact Justin Stokes, Senior Research and Communications Officer on (03) 8672 4272 or justin.stokes@ewov.com.au.

Yours sincerely



Cynthia Gebert
Energy and Water Ombudsman (Victoria)

⁴ ESC, Australian Energy Regulator and Energy Safe Victoria.

⁵ Department of Primary Industries and Department of Resources, Energy and Tourism.