

Our Ref:
Enquiries:
Telephone:



10 February 2022

Mr Paul Kelly
Chairman, ECCC
Economic Regulation Authority
Level 4, 469 Wellington Street,
PERTH WA 6000

Email: publicsubmissions@erawa.com.au

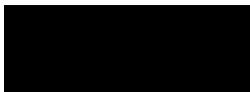
Dear Paul

**CODE OF CONDUCT FOR THE SUPPLY OF ELECTRICITY TO SMALL USE CUSTOMERS
(CODE) – 2019-2022 REVIEW**

I refer to the Electricity Code Consultation Committee's public consultation notice dated 15 December 2021 inviting comment on the new standards proposed to be set out in the draft Code of Conduct for the Supply of Electricity to Small Use Customers (**Draft Code**). Synergy is pleased to provide comment on the Draft Code as it is the primary regulatory instrument that specifies the electricity supply service standards applicable to its 1 million small use customers.

Synergy's submission in response to the Draft Code is attached. Please contact me should you have any queries in relation to the attached submission.

Yours sincerely



**SIMON THACKRAY
MANAGER, REGULATION AND COMPLIANCE**



**Synergy’s submission in response to the
Code of Conduct for the Supply of Electricity to Small Use Customers 2022 consultation draft**

ISSUE	CLAUSE	COMMENT
Commencement	2	Synergy notes the commencement date for Part 13 of the proposed new Code is two months after Gazettal which Synergy expects will be 31 August 2022. Synergy requires the commencement date for clause 91(4) to be 30 September 2022 to enable required system changes to be developed, tested and deployed in relation to the vulnerable customer disconnection moratorium.
Definition of “contact” reference to “facsimile”	3	Reference to “facsimile” is redundant as this is covered in paragraph (d) of the definition of “contact” given the term “electronic communication”.
Definition of “contestable customer”	3	The definition needs to include a reference to a “bidirectional point” to reflect changes to the Electricity Networks Access Code in 2021.
Definition of “Electricity and Water Ombudsman Western Australia”	3	Synergy proposes the words “if applicable” be added after the words “Part 7 of the Act” to recognise a party other than the Parliamentary Commissioner may be appointed as the Electricity and Water Ombudsman Western Australia.
Definition of “electricity marketing agent”	3	Synergy seeks the definition to be explicit that an “electricity marketing agent” is a person that is not a licensed electricity retailer.
Definition of “overcharging”	3	<p>The current wording could be improved to better reflect the overcharge scenario. An overcharge occurs when:</p> <ul style="list-style-type: none"> (a) a customer is billed on estimated energy data and actual energy data is subsequently received; and (b) the value of previously estimated energy data is greater than the actual value. <p>or put another way:</p> $O = A_{t2} - E_{t1} \text{ and if } E_{t1} > A_{t2}$ <p>O is the overcharge E is the estimate energy data</p>

ISSUE	CLAUSE	COMMENT
		<p>A is the actual value t_1 is time period 1 t_2 is time period 2</p>
Definition of “relevant consumer representative”	3	Recommendation 50(c) of the ECCC final review report confirmed that all references to the term ‘payment difficulties’ be deleted from the Code and replaced with a reference to customers experiencing difficulties paying their bill and payment for their consumption in relation to pre-payment meters. “Payment difficulties” is referred to in the definition of “relevant consumer representative”.
Definition of “undercharging”	3	<p>The current wording could be improved to better reflect the undercharge scenario. An undercharge occurs when:</p> <ul style="list-style-type: none"> (c) a customer is billed on estimated energy data and actual energy data is subsequently received; and (d) the value of previously estimated energy data is less than the actual value. <p>or put another way:</p> $O = A_{t_2} - E_{t_1} \text{ and } E_{t_1} < A_{t_2}$ <p>O is the overcharge E is the estimate energy data A is the actual value t_1 is time period 1 t_2 is time period 2</p>
Definition of “vulnerable customer”	3	The definition of vulnerable customer includes “a former customer”. However a “former customer” is not defined. Operationally Synergy intends to determine this based on its retained customer records consistent with Australian Privacy Principles requirements.
Provision of information to customers – referring the customer to a retailer’s or distributor’s website	5(2)(a)	Reference to a “website” is too limited given it is becoming increasingly common for retailers to have electronic information sources in addition to a website such as mobile applications and customer portals (Synergy MyAccount). Synergy recommends the clause be broadened to include: “website, mobile application or an alternative electronic communication portal”.

ISSUE	CLAUSE	COMMENT
Shortened billing cycle	20	The clause as drafted does not provide a baseline to measure a period that is shorter than the baseline. This baseline should be specified as the “customer’s standard billing cycle.”
Overcharging	30(4)	Clause 30(4) needs to be amended to reflect a situation where a former customer cannot be informed of an overcharge because they cannot be contacted. For example where a customer closes an existing account and the overcharge is identified post account closure. In this scenario a credit cannot be applied to the customer’s next bill because there is no next bill. In practice the credit will be applied to the closed account for a defined period before being transferred to Treasury as unclaimed money.
Payment methods	34(d)	The clause should be amended to refer to “eligible residential customers”. Centrepay is limited to Centrelink recipients only.
Payment plan	42(3)	A cap on a retailer’s obligation to offer a payment plan should similarly be extended to a payment extension. As the Code is currently drafted there is no cap on a retailer’s obligation to offer a payment extension. Synergy suggests it reasonable if a customer fails to make payment after being given two payment extensions within a 12 month period, a retailer should not be obliged to offer further extensions – this should then be discretionary.
Variation of payment plans	43(1)	The provision should refer to “residential customers”.
General requirements	48(1)(a) and (c)	“date of dispatch” should refer to “bill issue date”.
Limitations on disconnection for failure to pay bill	49(c)(iii)	Synergy does not understand the intent of this provision. Synergy notes that for a customer to receive an electricity supply the customer must have previously entered into a supply contract with a retailer. It is a standard contractual term for a customer to pay a bill.
Requirements for pre-payment meters	60(2)(c)	Synergy considers this matter should be a stand-alone provision given clause 60(2) deals with a retailer’s ability to de-energise a pre-payment meter service.
Information for customers experiencing payment difficulties	66	The heading should refer to “payment problems” opposed to “payment difficulties”.
Information for customers experiencing payment difficulties	66(2)	A higher obligation has been imposed on retailers relative to the 2018 Code. Synergy proposes the required information should also be permitted to be made available in addition to “in writing”.

ISSUE	CLAUSE	COMMENT
Assistance for customers experiencing payment difficulties	67	The heading should refer to “payment problems” opposed to “payment difficulties”.
Registration of life support equipment: retailers	82(2)(b)	<p>“contact details” should be defined as one of the following nominated by a customer;</p> <ul style="list-style-type: none"> • a supply address • a postal address • a telephone number; and • an electronic address.
Periodic reviews De-registration of life support address	85 86	Clause 85 proposes a new but significant change to existing life support requirements. This is a new requirement, not considered by the ECCC and is not supported by Synergy. Unlike the existing Code, the proposed new Code requires up to four notifications to be sent to a customer before a life registration can be removed whereas the existing Code requires up to three notifications.
De-registration of life support address	86(3)	Clause 86 proposes a new significant change to existing life support requirements. This is a new requirement, not considered by the ECCC and is not supported by Synergy. Synergy’s concern relates to the requirement that the first contact with a customer under clause 86(3) must be via registered mail. Synergy’s current process as permitted by the existing Code is to contact the customer via registered mail on the third attempt. It is unreasonable for retailers to incur the expense of registered mail if a customer provides the confirmation as required by clauses 85(1)(a) and (b) in response to an electronic communication or telephone call.
Application of Part 13 to a former residential customer	Part 13	<p>It is unclear to Synergy how it can operationally administer the proposed Part 13 Code requirements in relation to a former residential customer who is a vulnerable customer (vulnerable customer) but is not the customer (account holder). For example:</p> <ul style="list-style-type: none"> • how a retailer can protect a vulnerable customer’s information recorded on the account holder’s account when the account holder can legitimately access their account information. • how an agreed method of communication between a retailer and a vulnerable customer would apply (or not apply) to the account holder. • how a retailer is to contemplate the impact of debt collection on a vulnerable customer when the vulnerable customer is not liable for the debt.

ISSUE	CLAUSE	COMMENT
		<ul style="list-style-type: none"> • how a retailer will take into account the circumstances of a vulnerable customer before disconnecting the account holder's supply address due to the account holder's failure to pay a bill.
Family violence policy and procedures	91(8)	<p>Clause 91(8) proposes a new significant change to the family violence policy requirements, not considered by the ECCC and is not supported by Synergy. Clause 91(8) of the draft Code requires a retailer must ensure its family violence policy and procedures comply with any requirements specified by the Authority. The Code has been subject to a 2 year review period and there has been adequate time to reflect any specific ERA requirements in the Code. The proposed provision lacks transparency and provides the ERA with an unfettered ability to amend a retailer's public family violence policy and internal operational procedures.</p>