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Your Ref:

Ray Myles

94863328

5 April 2007

Mr Paul Kelly  
ECCC Chairman  
Economic Regulatory Authority  
Level 6 – Governor Stirling Tower  
197 St Georges Tce  
Perth WA 6000

Dear Mr Kelly

**Subject – Electricity Code Consultative Committee (ECCC)  
Review of the Code of Conduct (for the Supply of Electricity to Small  
Use Customers)**

I refer to your correspondence of 23 February 2007 in regard to the review of the Code by the ECCC and the Draft Review Report.

Alinta Sales Pty Ltd as an interested party has reviewed the Draft Review report and has prepared a written submission on this matter, a copy which is attached.

For any enquiries or additional information regarding this matter, please contact Ray Myles on telephone 94863328 or email: [ray.myles@alinta.net.au](mailto:ray.myles@alinta.net.au)

Yours Sincerely

Ray Myles  
Customer Services Manager  
Alinta Sales Pty Ltd



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## **Alinta Sales Pty Ltd - Submission**

### **Subject – Electricity Code Consultative Committee (ECCC) Review of the Code of Conduct (for the Supply of Electricity to Small Use Customers)**

#### **Section 4.3 - How Bills are issued.**

Reference is now made to an email address.

Alinta Sales suggests that reference may be to an electronic address, which covers current and possibly future transactions, which may not always be email.

It is recommended that this area be amended to incorporate alternative methods.

#### **Section 4.4 - Particulars on each bill**

1(t) – contact details for the electricity ombudsman

Is reference to electricity accurate or should it refer to energy ombudsman?

#### **Section 4.14 - Request for final bill**

4.14(2) – if the customers account is in credit at the time of account closure the retailer must repay the amount to the customer.

Alinta recommends that “reasonable endeavours” be included here as in many cases the account is not closed by the outgoing customer and the address details of customer may be unknown or the \$ value may be of such a small value (less than \$1.00) then it is somewhat uneconomical to issue a refund.

Alinta would appreciate the opportunity for further consideration and discussion of all the factors in this matter to take into account all scenarios which may lead to accounts being in credit and the impacts in managing.

## **5.2 - Minimum Payment Methods**

Alinta Sales is of the view that the list of payment methods is too descriptive and could be seen as a potential barrier to entry.

In a commercial environment it may not always be economically viable to offer all options and retailers may elect to enter into commercial arrangements with providers which are to customers benefits.

In addition, to include Centrepay as a mandatory payment method is not considered viable as not all customers are eligible, such as small use customers who are business customers.

## **5.3 - Direct Debit**

Section 5.2(2) refers to complying with the Electronic Funds Transfer Code of Conduct.

Based on this, section 5.3 may be redundant as the code covers this.

## **5.6 - Late payments**

5.6(4) A retailer must not charge a residential customer a late payment fee if the residential customer has made a complaint directly related to the non payment of the bill to the retailer or to the electricity ombudsman and the complaint remains unresolved.

Alinta seeks some clarification in this matter, in regard to raising of a late payment fee due to non payment of a bill and the complaint is received after the fee has been applied.

This section is not clear and further clarification may be required within the code to address such scenarios.

## **7.6 - General limitations on disconnection**

Reference to electricity ombudsman

Is reference to electricity accurate or should it refer to energy ombudsman?

**7.7 - Life support**

In this section, Alinta seeks clarification as to whether reference should be to residential customers as this section will relate to residential customers.

**10.7 - Historical consumption data**

Alinta Sales seeks clarification on this matter as it relates to the distributor providing customer consumption data. Under normal circumstances, customers will liaise with their retailer for such information. There are existing provisions under the Metering Code and Customer Transfer Code relating to consumption data and requirements to be met in order for data to be provided...

Alinta seeks clarity around this matter.

**12.2 - Obligation to comply with a guideline that distinguishes customer queries from customer complaints.**

Alinta endorses this recommendation however seeks clarification on the process to be adopted for the formation of such guidelines. It is not clear as to how this process is to be managed. Alinta envisages that this will be a consultation process with retailers and recommends this being included within the code.

**13.2 - Affordability and access**

**13.3 - Customer complaints**

**13.4 - Compensation payments**

**13.5 - Call centre performance**

**13.6 - Supporting information**

There is a vast array of data requirements outlined in these areas will place a considerable burden on retailers to provide

Under the Electricity Compliance Reporting Manual, there are reporting requirements to be adhered to; however under this draft code, there are differing requirements and measures.

Alinta Sales would prefer consistency in this area ad one set of reporting requirements should be adopted to satisfy all requirements.

Alinta Sales supports the view of Synergy, which is that if a national regulatory reporting framework is to be adopted, then it should be established through a licensing framework and not the code.

In the event that this is not achievable then due to the requirements, Alinta will seek a meeting to review the requirements and clarify measures as they are not currently consistent with existing system operations and retailers will have differing measurement systems in place.

### **2.3.2 - Divergence from the Code**

Alinta Sales supports the opportunity to review appropriate sections of the scope of clause 1.10. By expanding this clause, retailers and customers will be in a better position to negotiate under non-standard contracts, therefore promoting competition and leading to a differentiation between retailers. This therefore may lead to further opportunities for customers.

### **2.3.4 - Shortened Billing Cycles**

Alinta Sales does not support this proposal.

Shortened billing cycles has the potential to impact customers in a negative way in regard to increased costs to Retailers and potential pass through of such costs, In addition, customers may be impacted with additional fees due to late payment notices, debt recovery actions on a shorter cycle and increased disconnections.

Alinta is of the view that sufficient options such as payment in advance, bill smoothing and Centrepay payment deductions are sufficient to address this matter.

### **2.3.5 - Bill Smoothing**

As members are aware, Alinta Sales has a bill smoothing option for gas customers.

Alinta Sales however does not support that this should be included in this code as a mandatory payment option or a right for customers to request bill smoothing.

This should remain as an alternative option for retailers which again may drive competition and lead to a differentiation between retailers.

### **2.3.6 - Separate Bills**

Alinta Sales does not support this proposal.

This proposal as outlined would potentially lead to significant added administration costs and be very difficult to manage and confusing for customers.

The perceived benefits to customers are difficult to understand and Alinta is of the view that sufficient options exist to address this matter in alternative ways, including hardship policies, payment plans, Centrepay deductions and debt arrangements.

### **2.3.8 - Payment plans for business customers**

Alinta supports the retention of this clause.

The retention of this clause allows both parties to consider and enter into alternative arrangements.

### **2.3.11 - Complaints handling process**

Alinta supports consistency in this matter.

As a guide, Alinta manages gas complaints in accordance with Australian Standard on Complaints Handling (AS 4269:1995).

From a market viewpoint in Western Australia there may be benefits in having consistency across both markets.

### **2.3.12 - Complaints relating to marketing activities**

Alinta Sales supports the recommendation to remove the obligation on a marketer to establish complaints handling processes.

The process of ensuring a retailer has in place a complaints handling process to deal with complaints arising from marketing activities carried out on its behalf is supported.

### **2.3.15 - Service Standard Payments**

Alinta is satisfied that the existing arrangements and provisions in regard to Service Standard payments are sufficient to meet existing requirements and the limitation to customers who consume less than 50 MWh of electricity per year ensures sufficient customer protection mechanisms.

The specific matter of introducing additional requirements in regard to removing the requirement for customers to apply has the potential to impose major system implications with significant costs, which may not ultimately lead to any customer service improvements.

The issue of whether non-contestable customers should be allowed to contract out of Part 14 under a non-standard contract is supported as again, this gives an opportunity for retailers and customers to negotiate, therefore promoting competition and leading to a differentiation between retailers. This has the potential to lead to added benefits to customers.