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Mr Paul Kelly
Chairman
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Level 6, Governor Stirling Tower
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Dear Paul

ELECTRICITY CODE CONSULTATIVE COMMITTEE – REVIEW OF THE CODE OF CONDUCT (FOR THE SUPPLY OF ELECTRICITY TO SMALL USE CUSTOMERS) 2008

Thank you for the opportunity to comment on the Electricity Code Consultative Committee's Draft Review Report recommendations and propose additional amendment to the Code of Conduct.

Horizon Power is generally supportive of the recommendations contained in the draft report however, does have some concerns with the level of additional billing information being requested, the additional costs retailers will incur in supplying this information and the size of the bill.

Horizon Power is also concerned at the delay in the release of the Allen Consulting Group report on Pre-payment Meters. We had previously been advised that the Report was to be circulated by the end of last year. The Economic Regulatory Authority (the Authority) is aware of the Commonwealth and State discussions on the extension of the Aboriginal and Remote Communities Power Supply Project and the continuation of the Town Reserve Regularisation Program. Horizon Power has received a significant amount of positive feedback on both of these projects and, based on that feedback, is keen to extend the use of pre-payment meters to our broader customer base.

Horizon Power's comments on each of the parts of the Code follows:

Part 1 – Preliminary

Horizon Power agrees with Recommendations 1, 2 and 3.

Part 2 – Marketing

Horizon Power agrees with Recommendations 4, 5, 6 and 7.

Part 3 – Connection

Horizon Power notes no recommendations were issued relating to this part.

Part 4 – Billing

With regard to Recommendation 8, Horizon Power agrees there is a requirement to review the interrelationship between regulations to ensure regulatory obligations lie with the correct party. The 'appropriate agency' should be nominated prior to finalisation of the ECCC report to the Authority.

With regard to Recommendations 9 and 10, Horizon Power is concerned at the volume of information required to be contained on bills, both from a cost of production perspective and the readability of the document. Inundating customers with too much information rather than a referral to an alternate source of information should they wish to follow up an issue can be counterproductive.

Horizon Power supports Recommendation 11.

Part 5 – Payment

Horizon Power notes the implementation of Recommendation 12 may reduce Horizon Power's ability to offset expenses incurred in relation to customers on shortened billing cycles.

Part 6 – Payment Difficulties and Financial Hardship

Horizon Power supports Recommendation 13.

Part 7 – Disconnection

Horizon Power supports Recommendation 14.

Part 8 – Reconnection

Horizon Power notes no recommendations were issued relating to this part.

Part 9 – Pre-payment Meters in remote communities

Horizon Power supports Recommendation 15.

As previously mentioned, Horizon Power is concerned at the delay in the release of the Allen Consulting Group report on Pre-payment Meters, noting the Authority is currently considering the findings of the research. Horizon Power, based on our positive feedback and practical experience with pre-payment meters, wishes to respond to requests from other customers to be supplied through pre-payment meters. Current limitations in the Code restrict our ability to roll-out such a product.

In addition, Horizon Power is concerned that delays in assessing the findings of the Allen Consulting Group report may adversely impact on Horizon Power's investment decisions in relation to the next phases of the Aboriginal and Remote Communities Power Supply Project and Towns Reserves Regularisation programs. The Authority advises it may not propose amendments to the Code in relation to pre-payment meters until mid-2009. By that time, Horizon Power will have committed to the purchase of additional pre-payment meters from the UK based supplier for the next phase of projects. Any changes to the specifications of pre-payment meters will have a negative impact on the cost and timing of these projects.

Horizon Power is also seeking a reduction in the emergency credit limits by \$1 to \$9 in clause 9.8 of the Code. This is in response to customers who, having exhausted the emergency credit and purchased a \$10 pre-payment card, are concerned the cards are faulty when the liquid crystal displays a zero value. This occurs because emergency credit amounts are reimbursed from the new card prior to registering any

new credit. The reduction to \$9 would mean a credit amount of \$1 would be shown on the display where a \$10 card was inserted in the same circumstances.

Part 10 – Information and Communication

Horizon Power supports Recommendations 16 and 17.

Horizon Power has previously raised the issue of compensation to a Retailer where providing information on behalf of a Distributor under Recommendation 8. The outcome of the proposed review may require future modification to the Code as a consequence of changes flowing from Recommendation 18.

As discussed under Recommendations 8 and 9, Horizon Power is concerned at the volume of information contained on bills, both from a cost of production perspective and their readability. Horizon Power is supportive of including the National Interpreter Symbol as proposed under Recommendation 19, though consideration should be given to whether it should replace existing information.

Part 11 – Customer Service Charter

Horizon Power agrees with Recommendation 20.

Part 12 – Complaints and Dispute Resolution

Horizon Power agrees with Recommendation 21.

Part 13 – Record Keeping

With respect to Recommendation 22 Horizon Power believes the reporting and response timeframes should be consistent with clause 4.17 of the Code of Conduct, 20 days.

Horizon Power agrees with Recommendation 23.

Part 14 – Service Standard Payments

With regard to Recommendation 25 Horizon Power notes the proposed increase in penalty is not supported by any documented evidence of changed behaviour since its introduction. Until such time as data has been gathered on the effectiveness of the penalty, the charges should remain unchanged.

Yours faithfully

DAVID TOVEY
MANAGER GOVERNANCE AND COMPLIANCE