

20 March 2009

Mr. Paul Kelly
ECCC Chairman
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ECCC Review of the Code of Conduct for the Supply of Electricity to Small Use Customers 2008

Dear Mr. Kelly,

Perth Energy would like to thank the ECCC for the opportunity to comment on the Draft Review Report with respect to the small use customer Code of Conduct (Code). Perth Energy has recently completed the first audit of its Electricity Retail Licence and believes this can provide some insight into the practical implementation of the Code.

Perth Energy believes that there are 3 key points that should be further reviewed by the ECCC.

- The Code should provide more clarifications and further distinguish between residential customers and business customers within the context of each clause, as applicable in the Code.
- As a result of the current state of the market with Synergy as the dominant, incumbent retailer, there should be an added level of clarification that applies to Synergy versus other "new" retailers.
- The definition of marketer, marketing agent, marketing representative and electricity market agent is very convoluted and hard to understand. There should be a clear differentiation between a person who refers a customer to a retailer and a person who is selling or negotiating a sales contract. There may be many business consultants or businesses that are unknowingly acting in a manner that is covered under the Code. Compiling all of the definitions and clauses into a separate section of the Code would provide much needed clarity.

Below are Perth Energy's comments on specific clauses in the Code.

2.4.2(e) Concession that may apply to a customer – this is an example where both the differentiation between a business customer and a residential customer and the incumbent retailer versus a "new" retailer should be made. Perth Energy has no obligation to give concessions to the customer base we are permitted to serve, yet this forms part of the audit requirement.

2.4.2(g)(i) Multi-lingual services – Perth Energy believes residential customers would benefit from this, but as all contracts for business customers are written in English, this creates both an additional

financial cost and regulatory cost for the retailer. At a minimum “in languages reflective of the retailer’s customer base” should be changed as it would be very difficult to audit or prove. This could be changed to reflect the languages provided by the major interpreter services available in Australia.

2.6.6 Contact after permitted call times – This clause should clarify different circumstances and not simply refer back to the definitions. For example a retailer could have a display at a trade show that is on a Sunday or public holidays or open past 8pm. In every instance the retailer would have to get consent to talk with a customer. This seems extremely impractical and could impeded competition in the market overall.

3.1 Connection – The difference between a residential and commercial customer should be made for this clause as well. A retailer and a business customer usually to co-ordinate very carefully the timing of the connection and this is usually explicit in the contract.

4.3 Bill Smoothing – many other clauses under Part 4 can be varied by of the contract. Perth Energy believes this clause should also be made not to apply if varied in the contract. As a retailer to business customers, having to smooth bills could cause extra financial costs due to a mismatch in revenue received from customers and payments to the energy markets.

4.5.1(b) Meter reading – Under the current legislation Perth Energy can only supply customers that have a time of use meter. The data received from Western Power is in the NEM12 format and as a result does not include the actual meter readings. The distinction between the types of retailers should be made here as the incumbent retailer is the only retailer that can supply customers with accumulation type meters.

4.5.1(h) – Please see comments regarding 2.4.2(e)

4.5.1(i) – Please see comments regarding 2.4.2(e)

4.6.1(b) and 4.6.2 – As with 4.5.1(b) above, a customer cannot read a time of use meter and send the information to a retailer other than with the incumbent retailer. This distinction should be made and should be revised in the retail audit obligations as well.

4.7 Frequency of meter reading – A retailer to business customers can only rely on Western Power to read the meters, there is no other metering agents available to provide the information.

4.10 Customer my request a meter read – as with 4.7 above, a retailer can only rely on Western Power to read the meter.

4.12 –Alternative Tariffs, Customer Applications. The distinction between the incumbent retailer and other retailers should be made in the application of this clause. Perth Energy, as an independent retailer is not obliged to offer alternative tariffs to a customer other than what is in the contract. This should be removed from the audit obligations as well.

4.13 – See comments for 4.12

7.6 General Limitation on Disconnections – Perth Energy finds this clause confusing. There would be a benefit in separating the clause into two, one detailing residential conditions and another for business customers. The business provisions should be able to be varied by the contract between

the retailer and the customer (disconnections are still restricted by the operating hours of Western Power.)

10.1 Tariff Information – See comments for 4.12

10.3 Concessions – See comments for 2.4.2(e)

10.3A Service Standard Payments – the distinction between residential and business customers should be made under this clause.

10.4 Energy Efficiency Advice – the distinction between residential and business customers should be made under this clause. As an example 10.4(c) refers to domestic appliances.

10.11 Special Information Needs – See comments for 2.4.2(g)(i).

10.12.2 Metering – See comments for 4.5.1(b).

13.5 Call Centre Performance – Perth Energy does not have a call centre and believes this an important point of differentiation between it and other retailers. Perth Energy's reception and/or account managers handle all customer calls individually. Further clarification should be made regarding this obligation. Additionally the term "Call Centre" should be defined in the Code.

14.1 Facilitating customer reconnections – This clause should be made consistent with Part 8. Clause 8.1 can be varied by way of the contract between the retailer and the customer and as a result 14.1 should be the same.

Perth Energy would happy to discuss our submission in person with the ECCC if this would provide further information to contribute to the review.

Yours Sincerely,

Geoff Gaston
Commercial Manager