



Office of Energy  
Government of Western Australia

Our ref: RCM/0568-02  
Enquiries: Jeff Dzodz 9420 5691

Mr Paul Kelly  
Chair  
Electricity Code Consultation Committee  
Economic Regulation Authority  
PO Box 8469  
PERTH WA 6849

Dear Mr Kelly

**REVIEW OF THE CODE OF CONDUCT FOR THE SUPPLY OF ELECTRICITY TO  
SMALL-USE CUSTOMERS**

I attach the Office of Energy's response to the Electricity Code Consultative Committee with respect to its invitation for interested parties to comment on the Review of the Code of Conduct for the Supply of Electricity to Small-Use Customers.

For any further discussion on any aspect of this submission, please contact Mr Jeff Dzodz, Senior Manager Community Branch, by calling 9420 5691.

Yours sincerely

~~JASON BANKS~~  
~~A/COORDINATOR OF ENERGY~~

30 March 2007

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Government of Western Australia

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

**SUBMISSION IN RESPONSE TO THE ECCC DISCUSSION PAPER**

**APRIL 2007**

## INTRODUCTION

The Office of Energy has played a key role in the establishment of the Code of Conduct (for the Supply of Electricity to Small Use Customers) ("the Code") and has participated as a member of the Electricity Code Consultative Committee.

In doing so, the Office of Energy has strived, and continues to strive, to promote the following:

- Best-practice consumer protection through an efficient and effective regulatory regime.
- Consumer protection measures that achieve clear benefits for consumers and the community, while not creating compliance requirements that are overly cumbersome and costly for retailers and distributors.
- Consistency between gas and electricity consumer protection measures, and where appropriate for Western Australia, consistency with the work undertaken by the Ministerial Council for Energy (MCE) towards a National Framework for Energy Distribution and Retail Regulation.

Best-practice consumer protection should be defined in terms of outcomes, especially where there is a need to address long standing issues that impact on consumers living in all areas of the state. Efficiency should not be achieved by reducing the effectiveness of a service to meet the specific needs of different groups of consumers, or by lowering standards. An efficient and effective regulatory regime in this sense should encourage and not restrict innovation in service delivery where some of a more traditional approach may not be feasible or desirable.

Where possible, it is desirable to achieve consistency between gas and electricity consumer protection measures. The Office of Energy notes that while this is identified as a Principle of the Review of the Code, the ECCC Discussion Paper does not specifically address this matter.

Energy specific consumer protection also should complement and not duplicate generic consumer protection measures in order to minimise compliance costs and reduce the potential for conflicting obligations (as consumer protections are revised). The Office of Energy agrees with the approach adopted by the ECCC in removing duplicative clauses from the Code.

Under the Ministerial Council for Energy, the Office of Energy is working with other jurisdictions on the development of a National Framework for Energy Distribution and Retail Regulation and Western Australia's adoption of the Framework (or elements of it) remains discretionary. If the National Framework is to be adopted in Western Australia, this involves a transfer of distribution and retail functions, including some of those covered by the Code, to be incorporated into a national regulatory regime, which will be administered and enforced by the appropriate regulatory bodies.

In doing so, the WA Government will carefully consider the application of the National Framework to the electricity sector in WA, which operates under some unique circumstances, especially in regional and remote areas of the state. Given that the National Framework is still being developed, the Office of Energy believes that the Code will continue to provide the mechanism for consumer protection in the WA electricity market, at least in the short to medium term.

## SPECIFIC COMMENTS – DISCUSSION POINTS

Discussion Point	Office of Energy Comments
<p>1.1</p> <p>Should the scope of Clause 1.10 be left as is, extended or reduced?</p> <p><i>Response: Left as is.</i></p>	<p>It is desirable to maintain a set of prescribed minimum customer protection measures applying to non-standard contracts for small use customers. For example, there is a need to ensure that all customers are kept aware of, and continue to have access to, internal and external complaints and dispute resolution processes.</p> <p>However, there should also be scope within the Code to allow for more flexible billing and payment arrangements under non-standard contracts in order to cater for the specific needs of customers. In this respect, Clause 1.10 seems to facilitate a sufficient level of flexibility.</p>
<p>4.1</p> <p>Should Clause 4.1 be extended to provide a customer with the opportunity to elect a shortened billing cycle?</p> <p><i>Response: No.</i></p>	<p>The suggestion to allow customers to shorten their billing cycles has merit but there is a need to consider the cost of retailers accommodating such requests, especially where customers have an expectation of their meter being read and having their bills sent by mail, at more regular intervals. These costs, especially in regional and remote areas, would be prohibitive and outweigh the benefit of offering this service.</p> <p>Budget cards, pre-payment meters and bill smoothing (see 4.2) could be presented to customers as possible alternative billing arrangements. Each approach offers the customer more control over the timing and amount of their bill payments for electricity supply but avoids many of the costs of doing so.</p> <p>Increasing the choice of billing and payment options will empower consumers and hopefully reduce the potential for financial hardship.</p>
<p>4.2</p> <p>Should Part 4, Division 1 be amended to include a provision for bill smoothing?</p> <p><i>Response: Yes</i></p>	<p>Bill smoothing could be adopted by retailers as an alternative method of billing and payments so long as:</p> <ul style="list-style-type: none"> <li>• the amount payable by a customer for each billing period (e.g. monthly) is initially the same;</li> <li>• the retailer's estimation of a customer payments is based on historical billing data (or if this data is unavailable, it is based on billing data for a similar customer); and</li> <li>• there are appropriate mechanisms in place for re-estimating and adjusting the payment amounts for customers within the first six months of commencing their new bill smoothing arrangements.</li> </ul>

Discussion Point	Office of Energy Comments
<p>4.3</p> <p>Should Clause 4.4(3) be amended to require a retailer to issue separate bills for current amounts due and historical debt and is so, should individual reference numbers be assigned to each bill?</p> <p><i>Response: No.</i></p>	<p>There seems to be little evidence to prove that the provision of separate bills for historical debt from current billing amounts would actually assist customers in this situation to manage their budgets and debts. In effect these customers would be left to manage more than one electricity bill.</p> <p>However, requiring the provision of two bills rather than one for these customers would definitely impose increased costs on retailers to serve these customers. If and when the retail market is fully contestable, this would be a disincentive for competing retailers to supply these customers.</p> <p>Sub-Clause 4.4(3) provides a clear separation of historical debt and current billing amounts. If a customer is in financial hardship and/or are having difficulty paying their bills, retailers are required to have a hardship policy and offer assistance, such as instalment plans.</p> <p>There should be a commitment from both the retailer and the customer to cooperate in order to clear historical debt and avoid debt accumulation.</p>
<p>4.4</p> <p>Should the Code prescribe the procedures a retailer must follow if there is a change to the tariff?</p> <p><i>Response: Yes.</i></p>	<p>Clause 4.12 sets out a process that should meet the expectations of customers where the retailer has initiated a change to an alternative tariff in line with the customer's electricity usage.</p> <p>Although there are procedures already in place for tariff changes under the relevant By-Laws for Synergy and Horizon Power, if the Code is to facilitate supply to small-use customers by privately owned retailers in the future, Clauses 4.11, 4.12 and 4.13 need to be retained and possibly expanded as part of future reviews of the Code.</p>
<p>6.1</p> <p>Should Clause 6.11 be retained or deleted?</p> <p><i>Response: Retain.</i></p>	<p>Clause 6.11 does not impose a burden on retailers as it currently only requires them to <i>consider</i> any <i>reasonable</i> request for alternative payment arrangement from business customers in difficulty.</p> <p>While there seems to be no reason to retain this Clause, there also seems to be no reason to delete it. On balance, Clause 6.11 outlines a requirement for retailers to at least consult with their small business customers in financial difficulty on what options are available to them. Under these circumstances, there is no obligation on retailers to accept an unreasonable request from their business customers.</p>

Discussion Point	Office of Energy Comments
<p>7.1</p> <p>Should the Western Power register for priority reconnection be contained within the Code?</p> <p><i>Response: Yes and Clause 7.7(2) should be retained.</i></p>	<p>Clause 10(2)(c) of the <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i>, requires distributors to, as far as is practicably reasonable, reduce the effect of an interruption if they are aware that a person living in the customer's premises has special health needs and requires electricity for the operation of equipment catering to those needs.</p> <p>There is nothing within the <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i> that requires a distributor to maintain a register of people using life support equipment nor does it prescribe what actions are required to "reduce the effect of an interruption" for these customers. Currently the requirement for distributor's to maintain a register is within the Code of Conduct and there is no specific requirement for priority reconnection of customers on life support in Part 8.</p> <p>This highlights an important difference between the WA Code of Conduct and comparable Codes in Victoria, ACT and Queensland where there is a requirement for distributors to have contingency plans in place to manage these customers' needs in case of unplanned interruptions. It is also important to note that most other jurisdictions require distributors to maintain a register for these cases and have a process in place to notify them of planned interruptions with a given timeframe.</p> <p>Therefore, it is desirable that under the Code distributors be required to maintain a register of customers on life support and establish appropriate contingency plans for unplanned interruptions that incorporate priority reconnection of life support patients.</p>
<p>9.1</p> <p>Should Clause 9.2(2) be amended to allow operation of PPMs outside of the TRRP and ARCPSP?</p> <p><i>Response: Yes, but only following an investigation of the costs and benefits to retailers, consumers and the community, in order to ensure that appropriate consumer protection measures are in place for PPMs in all areas of WA.</i></p>	<p>Part 9 of the Code of Conduct was established specifically to enable the provision of upgraded power supplies under the Government's programs in town reserves and large, permanent Aboriginal communities. This was no intention to extend or amend Part 9 to allow the use of pre-payment meters (PPMs) more widely in WA.</p> <p>There appears to be demand for PPMs in areas outside of these programs, but the evidence provided so far by Horizon Power and Synergy suggests that the actual extent of the demand appears low. This is probably due to a lack of awareness within the community that PPMs are being used in certain circumstances and may be more widely available in the future.</p> <p>Despite the current level of demand for PPMs, all consumers should be offered the option of using these meters as a means of managing their energy consumption and their billing cycles and payments. Retailers should be encouraged to develop and offer a wide range of more flexible billing and payment options to suit their customer's needs.</p>

Discussion Point	Office of Energy Comments
<p>9.1</p> <p>(Continued)</p>	<p>The use of PPMs in WA must be regulated but the regulatory requirements on retailers need to facilitate rather than constrain the ability of retailers to pursue opportunities to supply electricity to consumers living in all areas of WA. In particular, it must take into account the challenges of supplying electricity in regional and remote areas where the costs of serving customers are at their greatest.</p> <p>Other jurisdictions, notably South Australia, ACT and Tasmania, have Codes covering PPMS that provide a good starting point for developing WA's regulatory model for PPMs. However, it must be noted that these jurisdictions do not supply electricity to a population dispersed across a land mass as large as WA. Therefore, these Codes may not be entirely applicable to operating in the context of WA's electricity systems.</p> <p>The ECCC has not acknowledged that PPMs have been successfully operated in many other countries, such as the United Kingdom (for over 70 years) and South Africa. South Africa may have more in common with WA than other Australian jurisdictions as a significant proportion of the population lives in rural areas and the introduction of PPMs in 1992 has helped facilitate the connection of these areas to electricity.</p> <p>The Economic Regulation Authority should undertake a cost/benefit analysis of using PPMs in all electricity licence areas in WA and to use the findings to establish a set of appropriate consumer protection measures for PPMs in WA. This activity should include an evaluation of existing PPM Codes in the context of the application of PPMs in regional and remote areas.</p>
<p>9.2</p> <p>If Clause 9.2(2) is amended, should there be prohibition on costs to users for installation, connection disconnection, reconnection and/or return to standard meter?</p> <p><i>Response: No. PPM trial periods should be established and users not in financial hardship should meet the reasonable costs of terminating supply contracts and/or switching between credit and pre-paid functions, after their trial period has elapsed.</i></p>	<p>The use of PPMs could meet some of the challenges of supplying regional and remote areas of WA, where the cost to serving customers are at their greatest.</p> <p>If customers were to switch between credit and pre-paid metering on a higher than can be reasonably expected frequency, this will erode the cost efficiency and benefits of this technology. Customers should have the right to switch when they want, however, there should be a reasonable limit placed on how and when they can change their metering arrangements at no cost.</p> <p>It is expected that customers will request a PPM at their premises as a lifestyle choice, but these requests need to be treated differently to those customers that opt for PPM as a result of being in financial difficulty. Financial hardship policies should consider offering the installation of PPMs at no charge to these customers as their operation should reduce the costs of serving them.</p> <p>There seems to be a need to establish a mandatory trial period of PPMs, during which a consumer can opt out of using a PPM at no cost.</p>

Discussion Point	Office of Energy Comments
<p>9.2  (Continued)</p>	<p>However, after the trial period for a consumer has elapsed, if they choose to switch back to credit metering or enter into a different contractual arrangement, a retailer should be able to recover the reasonable costs of meeting their request.</p> <p>Mandatory trial periods are used in other jurisdictions, however, the development of this requirement as part of the WA Code for PPMs should be undertaken as part of the evaluation process described above in the comment against 9.1. Given that the South Australian and ACT Codes have been operating for a relatively short time, there is a need to confirm whether their use of trial periods has been successful and if this will be appropriate in an West Australian context.</p> <p>Given the nature of PPMs, there should be little or no disconnection and/or reconnection costs to the consumer (and the retailer). However, where disconnection is occurring as a result of faulty PPMs, the cost of testing the meters and rectifying the faults should be met by retailers.</p>
<p>9.3</p> <p>Should the ECCC request that the Authority commission independent research regarding PPMs.</p> <p><i>Response: Yes.</i></p>	<p>The Economic Regulation Authority is encouraged to undertake a cost/benefit analysis of using PPMs in all electricity licence areas outside of the TRRP and ARCPSP areas. Trials of PPMs in different areas of the state would provide a useful input into this work.</p> <p>The scope of the independent research commissioned by the Authority should focus upon the specific challenges facing retailers in serving customers living in rural, regional and remote WA. In this context, PPMs should be considered as part of a mix of consumer billing and payment options, and the effectiveness and relevance of existing PPMs Codes in other jurisdictions to meet the needs of consumers and retailers in these areas needs evaluation.</p> <p>This evaluation would inform the Authority's consideration of whether to adopt any provisions from the South Australia and/or ACT Codes.</p>
<p>9.4</p> <p>If Clause 9.2(2) is amended, should similar provision to those in the SA and ACT Code be added to Part 9?</p> <p><i>Response: This requires a cost/ benefit analysis and an evaluation of the effect of clauses in the context of supplying electricity in all areas of WA.</i></p>	<p>This suggests a generalised adoption of any additional clauses from the SA and ACT Codes where there is no comparable clause in the WA Code. Rather than taking this approach, there is a need to consider the Codes in more detail to determine whether their clauses will address the specific requirements of consumers and retailers in WA.</p> <p>Whilst it is desirable to establish and maintain a level of consistency with regulatory measures in other jurisdictions, PPMs are used in WA to specifically address issues relating to remoteness and capacity building in Aboriginal communities. Horizon Power has indicated that there is some demand for PPMs in regional and remote towns outside of TRRP and ARCPSP that face similar challenges in terms of their location and remoteness. The relevance of the SA and ACT Codes need to be considered in this context.</p>

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<p>9.4</p> <p>(Continued)</p> <p>If so, should an exemption apply for ARCPSP and TRRP communities and if so, on what basis?</p> <p><i>Response: Yes, Part 9 was specifically designed to facilitate TRRP and ARCPSP and these projects should be able to operate as intended.</i></p>	<p>TRRP and ARCPSP have only recently commenced upgrading the power systems and supplying power in town reserves and remote Aboriginal communities. Horizon Power has invested a large amount of time and resources into its community education and retail systems for its customers using PPMs.</p> <p>Part 9 is currently designed to facilitate TRRP and ARCPSP. It is likely that some of the changes proposed by including clauses from the SA and ACT Codes would create implementation and service delivery issues. Acknowledging these regulatory risks and the likely impact on Horizon Power's ability to operate under such amendments, there is a need to exempt the areas supplied under the TRRP and ARCPSP if the proposed changes were to proceed.</p> <p>Changing the nature and delivery of the services provided under these projects would also create confusion for the customers living in the communities who have only recently been introduced to Horizon Power's service delivery arrangements and using PPMs.</p>
<p>9.5</p> <p>If Clause 9.2(2) is amended, should Clause 9.4(2) be amended to ensure consistency with the SA and ACT Codes?</p> <p><i>Response: Yes.</i></p>	<p>The proposed change to Clause 9.4(2) needs to be considered in the specific context of where the PPMs will be operated and by whom – this information would probably not be relevant for the customers supplied under the TRRP and ARCPSP.</p> <p>The extent of the information provided by retailers under the WA Code appears quite comprehensive compared to the SA and ACT Codes, however, if the WA Code PPMs were to require the use of trial periods and retailers could apply connection and installation costs to customer accounts, this information should be provided to new PPM customers.</p>
<p>9.6</p> <p>If Clause 9.2(2) is amended, should Clause 9.4(3) be amended to ensure consistency with the SA and ACT Codes?</p> <p><i>Response: Yes.</i></p>	<p>Clause 9.4(3) requires a large of amount of information to be provided within a fairly restrictive amount of space (on or beside a PPM).</p> <p>In this case it makes sense to reduce the amount of information to be provided in this manner as well as aligning the WA Code with the SA and ACT Codes.</p>

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<p>9.7</p> <p>Should Clause 9.9(1) be amended to require credit retrieval only for amounts over \$100?</p> <p><i>Response: Yes, but there needs to be further consideration given the setting the minimum amount required.</i></p>	<p>Clause 9.9(1) clearly has some unintended consequences on both the customers and retailer in the context of TRRP and ARCPSP.</p> <p>Despite having the right of credit retrieval, customers living in remote areas should be aware of the cost of Horizon Power retrieving credit and that these costs may be recovered from them in the process. It seems unreasonable to expect the retailer to bear the full cost and this detracts from the service efficiency of using PPMs in remote locations.</p> <p>It is noted that both the SA and ACT Codes are silent on the extent by which a retailer can seek to recover its costs in retrieving credit.</p> <p>It is suggested that the ECCC request further information from Horizon Power on actual cost of undertaking credit retrieval in all of the communities currently supplied or to be supplied under the TRRP and ARCPSP in order to identify and recommend an appropriate minimum amount requirement for credit retrieval.</p>
<p>9.8</p> <p>Should the record keeping requirements contained within Clause 9.11 be amended?</p> <p><i>Response: No, the current requirements are acceptable given the metering technology used in TRRP and ARCPSP.</i></p>	<p>Clause 9.11 is adequate as it reflects the simplicity of the metering technology currently used in TRRP and ARCPSP. This aspect of the SA and ACT Codes may not be relevant to operating in WA conditions.</p> <p>The requirement under the ACT Code to keep quarterly records for the number of customers who have self-disconnected because of financial difficulties, requires retailers to record the number of self-disconnections for each customer using PPMs.</p> <p>PPMs provide consumers with control over their disconnection and reconnection. Surveys undertaken by Horizon Power and the Office of Energy in some TRRP and ARCPSP communities indicate that the consumers using PPMs understand and appreciate their functions, and prolonged periods of disconnection (if they disconnect at all) are quite infrequent. Furthermore, most consumers that do disconnect tend to purchase recharge cards and reconnect within a day. Nearly all of the people surveyed indicated that they do not forego other purchases as a result of buying their recharge cards for power.</p> <p>The success of PPMs used in these communities reflects that they are user-friendly and quite simple to operate, which was a key factor in their selection for TRRP and ARCPSP. It is important to note that as the reporting requirements for PPMs increase, so does the complexity of the metering technology and the need for high-quality telecommunications infrastructure to support data transfer functions. Given the remote location of the communities, this would make compliance to such reporting requirements difficult and costly.</p>

Discussion Point	Office of Energy Comments
<p>10.1</p> <p>Should the scope of Clause 10.2 of the Code be extended to include contestable customers?</p> <p><i>Response: Yes.</i></p>	<p>Clause 10.2 provides non-contestable customers with the right to request and receive their historical billing information from their retailer at no charge. Given that the contestable customers covered by the Code are still small to medium in size, it seems reasonable that these customers have the right to request this information from their retailer.</p> <p>Furthermore, the right to request and receive consumption data from the distributor may or may not allow these customers to easily calculate their historical billing whereas it should be quite easy for the retailer to provide this information based on their records.</p>
<p>12.1</p> <p>Should Clause 12.1 be amended so that some of the requirements in this clause are removed to increase consistency with other jurisdictions?</p> <p><i>Response: Yes.</i></p>	<p>The proposed changes to Clause 12.1 appear unlikely to have much of an impact on the manner in which retailers will be handling complaints from their customers. Customers will retain the right to have their complaints considered by a senior employee and if they are not satisfied with their response, the customer may still refer the matter to the Energy Ombudsman for a resolution.</p> <p>In the interests of increasing the Code's consistency with those in other jurisdictions, it seems appropriate to amend Clause 12.1 as suggested.</p>
<p>12.2</p> <p>Should retailers (rather than marketers) be required to have complaints handling processes in place to deal with marketing activities carried out of its behalf?</p> <p><i>Response: Yes.</i></p>	<p>Removing the need for marketers to establish complaints handling processes under Clause 12.1 would better clarify the issue for small-use customers, who would tend to regard the conduct of the marketer as the responsibility of the retailer they represent.</p> <p>If this change were to be made to the Code, marketers will not have their own complaints handling processes and will be subject to those established by the retailers who employ them. With respect to Clause 12.3, there may still be a need to require marketers to provide information to customers at their request, on the relevant retailers' complaints handling processes that apply to marketing activities.</p>
<p>13.1 and 13.2</p> <p>Should Clauses 13.2(1)(c) and 13.2(1)(d) be retained or deleted?</p> <p><i>Response: Deleted.</i></p>	<p>Under Clause 13.2(1)(a), retailers are required to keep a record of their customers who have been assessed as experiencing financial hardship. As these customers tend to be also given more time to pay and/or placed on shortened billing cycles by retailers, Clauses 13.2(1)(c) and 13.2(1)(d) seem unnecessary.</p>

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<p>13.3</p> <p>Should Clause 13.4(a) and (b) be amended by including an obligation upon retailers to keep data on the average amount of any payments made under Clauses 14.2 and 14.3 of the Code?</p> <p><i>Response: No.</i></p>	<p>The advantage of requiring retailers to calculate the average amount of payments made under Clauses 14.2 and 14.3 is unclear.</p> <p>Retailers need to meet all of their prescribed obligations and should endeavour to reduce the need to make such payments to their customers. In this context, the actual number of eligible customers is of a higher concern than the average amount paid to them. It is unclear whether the proposed amendment would add much value to this process.</p>
<p>14.1</p> <p>Should Clause 14.1 be amended to make service standard payments available to all small use customers?</p> <p><i>Response: Yes for those customers on standard form contracts.</i></p>	<p>It seems reasonable for all small-use customers to be eligible for service standard payments where the retailer or distributor has not met the prescribed service standards, especially for any customer supplied via a standard form contract. Therefore, amending Clause 14.1 for retail and distribution customers in this sense seems fair and reasonable.</p> <p>Where contestable retail customers are supplied under non-standard form contracts, there should be some scope for these customers to contract out of such requirements if they can pay lower electricity prices as a result. This seems to have been recognised in other jurisdictions and only Victoria and ACT offer retailer service standard payments to customers on non-standard form contracts.</p>
<p>14.2</p> <p>Should Clause 14.1 be amended to make service standard payments available to all non-contestable customers regardless of their supplier?</p> <p><i>Response: Yes.</i></p>	<p>This amendment is necessary to ensure equity for all non-contestable customers connected to distribution systems other than those operated by a licensed distributor other than Western Power or Horizon Power.</p> <p>If there is an intention to differentiate between licensed distributors or and/or retailers under the Code, there would be a need for the Authority to consider the possible development of different classes of licences for different types of supply arrangements.</p>
<p>14.3 and 14.4</p> <p>Should the cap on the amount payable be amended (under Clauses 14.2 and 14.3)?</p> <p><i>Response: No.</i></p>	<p>Clause 14.2 and 14.3 appear to be adequate as is and it seems sensible that the payment amounts and caps for these Clauses are consistent as both involve an obligation on retailers to arrange for the customer to be reconnected as soon as possible. There is also little consistency between jurisdictions on wrongful disconnection payments.</p> <p>Without investigating the basis of setting the wrongful disconnection payments in other jurisdictions, it is not be desirable for the ECCC to select one as the basis of such payments under the WA Code.</p>

Discussion Point	Office of Energy Comments
<p>14.5</p> <p>Should Clause 14.7(1) be amended to remove the requirement for the customer to apply for the payment?</p> <p><i>Response: No.</i></p>	<p>It is understood that Synergy, Western Power and Horizon Power do not have the technical capabilities and systems to facilitate automatic payments of these kinds. The huge costs imposed on retailers and distributors of obtaining such systems would far outweigh the benefits of providing automatic payments.</p> <p>While the current system is manual, it still provides an incentive for retailers and distributors to avoid non-compliance and meet their obligations under the Code.</p>
<p>14.6</p> <p>Should the time limit for making a service standard payment be extended or reduced?</p> <p><i>Response: No.</i></p>	<p>It seems reasonable to expect eligible customers to apply to retailers or distributors within two months of a non-compliance event. There is no evidence to suggest that if extended, this would assist more customers in applying for payments. However, if there is an identified need to extend this period in order to assist consumers, it is suggested that the time limit not be extended to more than three months.</p> <p>It is not desirable to reduce the time limit to less than two months.</p>
<p>14.7</p> <p>Should non-contestable customers be allowed to contract out of Part 14?</p> <p><i>Response: No.</i></p>	<p>It is desirable for retailers/distributors to comply with all relevant service standards for non-contestable customers (on standard and non-standard contracts) under the Code.</p> <p>Allowing them to contract out of Part 14 seems to reduce the consequences for retailers/distributors that fail to meet their obligations and provides no compensation to their customers affected by breaches.</p>
<p>14.8</p> <p>Should any of the provisions related to service standards in other jurisdictions but not current in the WA Code be included in the Code?</p> <p><i>Response: No.</i></p> <p>Should any such provisions be removed from the Code?</p> <p><i>Response: No.</i></p>	<p>None of the additional service standard payments identified (e.g. faulty streetlights or being late for an appointment) need to be adopted by the WA Code as there seems to be little justification for doing so.</p> <p>Given that Part 14 specifies maximum payments or one-off payments for different non-compliance events, setting a cap on total claims by an individual customer in a financial year seems unnecessary.</p> <p>The issue of damages should be kept separate to the process of providing these payments to customers – it is unclear whether this requires clarification within Part 14. However, the proposed amendment is acceptable if there is an identified need to specifically explain that these payments do not constitute an admission of legal liability on the part of the retailer/distributor and do not limit a customer's right to pursue claims of damages.</p>