



Economic Regulation Authority

Promoting fair prices, quality services and choice

INFORMATION

Electricity Networks Corporation (t/a Western Power)

NOTIFICATION OF A TYPE 1 LICENCE CONTRAVENTION

On 30 January 2012, the Economic Regulation Authority (**Authority**) was notified of a contravention of clause 7.7(2)(c) of the *Code of Conduct for the Supply of Electricity to Small Use Customers* (**Code**) by Electricity Networks Corporation (t/a Western Power). Clause 7.7(2)(c) of the Code is classified as a Type 1 (considered the most serious and therefore are immediately reportable) licence obligation.

Clause 7.7(2)(c) of the Code provides that, where a distributor has been informed by a retailer that a person residing at a customer's supply address requires life support equipment, the distributor must give the customer at least three days written notice of any planned interruptions to supply at the customer's supply address.

Western Power subsequently wrote to the Authority on 6 February 2012 providing further details of the contravention and the actions taken by Western Power in response to the contravention.

On 27 January 2012, Western Power's contractor, Theiss Services Pty Ltd (**Theiss**) undertook a planned supply interruption in Kendenup. Western Power had previously notified Theiss that the interruption was going to affect a customer whose address was registered as a life support equipment address. The life support equipment customer in Kendenup contacted Western Power's call centre shortly after the interruption commenced to advise that her property had no power and that she had not been notified of any scheduled power interruption. Western Power immediately contacted Theiss requesting power be restored to the customer's supply address; power was restored approximately one hour after the customer contacted Western Power.

Western Power's investigation into the contravention identified that Theiss failed to provide written notification to the customer, and had also not made personal contact with the customer. Theiss informed Western Power that they had made numerous attempts to contact the customer by telephone without success. The telephone number used by Theiss was confirmed as the correct contact number for the customer. Theiss also carried out an internal investigation into the contravention that has resulted in the dismissal of the employees involved in the contravention.

The Authority notes that, including the current contravention, Western Power has reported a total of six contraventions of Type 1 licence obligations since May 2011. The Authority is dissatisfied with the frequency with which Western Power is contravening Type 1 licence obligations. While the recent implementation by Western Power of a compliance monitoring framework for Type 1 licence obligations is expected to go some way towards reducing the incidence of Type 1 licence contraventions, it remains to be seen how effective the framework will be in preventing Type 1 contraventions in the future. The compliance monitoring framework only covers processes that are internal to Western Power. The cause of the current Type 1 contravention indicates that the framework needs to be extended to also include contractors undertaking work for Western Power. The Authority is of the view

that Western Power also needs to review the processes that involve Type 1 licence obligations to ensure that there are appropriate and robust controls in place to prevent, as far as is reasonable, further contraventions.

The *Electricity Industry Act 2004* includes powers for the Authority to issue a notice requiring a licensee to rectify a contravention of the licence. Should the licensee fail to rectify the contravention then the Authority may take further action, including the imposition of a monetary penalty of up to \$100,000. However, the Authority does not have legislative powers to impose a penalty on a licensee that has already rectified a contravention before the Authority is in a position to issue a notice.

The Authority has written to Western Power expressing its dissatisfaction with Western Power's compliance record in respect of its Type 1 licence obligations. The Authority has also requested that Western Power, by no later than 2 March 2012, detail the measures that it will be taking to address the Authority's concerns.

A copy of the [letter from Western Power](#) and the [letter from the Authority to Western Power](#) are available on the Authority's website.

For further information contact:

General Enquiries

Paul Reid
Assistant Director Monitoring
Ph: 61 8 9213 1900
Fax: 61 8 9213 1999

Media Enquiries

Richard Taylor
Riley Mathewson Public Relations
Ph: 61 8 9381 2144
Fax: 61 8 9381 3877

LYNDON ROWE
CHAIRMAN

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