



INFORMATION

Electricity Retail Corporation (t/a Synergy) and Electricity Networks Corporation (t/a Western Power)

CONTRAVENTIONS OF TYPE 1 OBLIGATION

The Economic Regulation Authority has received notification from Electricity Retail Corporation (**Synergy**) regarding a contravention of clause 7.6 of the *Code of Conduct for the Supply of Electricity to Small Use Customers* (**Code**) that occurred on 2 October 2012. Clause 7.6 of the Code is classified as a Type 1 (considered the most serious and therefore are immediately reportable) licence obligation. Type 1 compliance obligations are classified as having a major impact on the basis that:

- the consequences of a contravention would cause major damage, loss or disruption to customers; or
- the consequences of a contravention would endanger or threaten to endanger the safety or health of a person.

Contravention of Clause 7.6 of the Code by Synergy

Clause 7.6(c) of the Code requires an electricity retailer and distributor to not arrange the disconnection, or disconnect a customer's supply address, where the customer has made a complaint directly related to the reason for the disconnection to the retailer, distributor, electricity ombudsman or other external dispute resolution body and the complaint remains unresolved.

The incident involved the disconnection of a customer by Electricity Networks Corporation (**Western Power**) following a request by Synergy. Prior to the date that Synergy requested the disconnection the Energy Ombudsman of Western Australia (**Ombudsman**) had informed Synergy that it was dealing with a complaint in relation to matters relevant to the reasons for Synergy requesting the disconnection. At the time that Synergy requested the disconnection the complaint remained unresolved. However, Synergy did not inform Western Power of the outstanding complaint when the disconnection request was made.

Contravention of Clause 7.6 of the Code by Western Power

The Authority is of the view that Western Power has also contravened clause 7.6(c) in relation to this incident. The requirement for a distributor not to disconnect a customer where the customer has made a relevant complaint that remains unresolved is absolute, that is, the distributor is not required to have knowledge of the complaint in order to be in contravention of clause 7.6(c). It is sufficient that the complaint has been made and that it remains unresolved at the time of disconnection.

The Authority acknowledges that Western Power disconnected the customer at the request of Synergy. As stated above, Western Power did not have any knowledge that the customer had an unresolved complaint about Synergy lodged with the Ombudsman when they performed the disconnection.

Authority's response to the contraventions

The information provided by Synergy and Western Power shows there has been a failure of the controls in place to ensure compliance with clause 7.6 of the Code. The information provided by both parties indicate that the respective disconnection processes of Synergy and Western Power allowed a disconnection that contravened clause 7.6 of the Code to proceed undetected.

Synergy has provided the Authority with details of the actions that it has taken to rectify the contravention of clause 7.6 of the Code and to prevent future recurrence of a contravention. The Authority is satisfied that these actions are an appropriate response to the underlying cause of the contravention.

The Authority has written to Western Power requesting that they provide details of the actions that will be taken to prevent future recurrence of a contravention of clause 7.6 of the Code by 30 November 2012.

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