



Our ref: RSM/0075

Enquiries: Ms Sarah Woenne

Telephone:

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Ms Cathryn Greville  
Assistant Director Customer Protection  
Level 6  
197 St Georges Terrace  
PERTH WA 6000

Delivered by email to: [publicsubmissions@erawa.com.au](mailto:publicsubmissions@erawa.com.au)

Dear Ms Greville

### **SYNERGY'S PROPOSED REPLACEMENT STANDARD FORM CONTRACTS**

Thank you for the opportunity to comment on Synergy's proposed replacement standard form contracts (SFC) for the supply of gas and electricity to small use customers.

The Office of Energy (the Office) wishes to make the following comments in regard to specific clauses of the gas and electricity SFCs. All references to SFCs are to be taken as referring to the Synergy proposed replacement SFCs, unless otherwise stated.

1. Clause 8.3(d) of the electricity SFC and clause 8.3(d) of the gas SFC prohibit the customer from using electricity or gas in a way that causes loss to Synergy or anyone else. The Office suggests that the wording of this clause may be overly broad. The Office notes that other subsections of this clause address specific circumstances or events, and it is unclear what this clause is intended to achieve that is not already achieved by the other more specific subclauses.
2. Clause 12.5(b) of the electricity SFC and clause 11.6(b) of the gas SFC deal with disconnection of customers for failing to provide information to Synergy. The Office is concerned by the broad scope of this provision, in particular the potential for customers on life support equipment or customers seeking concessions to be disconnected under this clause if Synergy is unable to confirm the customer's details.

The Office notes that the *Code of Conduct for the Supply of Electricity to Small Use Customers* requires a customer to provide confirmation from an appropriately qualified medical practitioner before they are registered as a life support customer. If a customer is unable to provide this information, it seems more suitable that they are simply not registered as a life support customer, rather than being disconnected. Similarly, the Office suggests that if a customer is not able to demonstrate their eligibility for a concession, then it is more appropriate that they do not receive that concession until they can demonstrate their eligibility, rather than face disconnection. The Office notes that this clause increases the scope for vulnerable customers to have their electricity supply disconnected.

3. Clause 14 of the electricity SFC and clause 13 of the gas SFC deal with liability, and impose full liability on the customer while limiting Synergy's liability to the extent the

law allows. The Office is concerned at the different levels of liability on the parties to the contract, and queries whether this clause is compliant with the Australian Consumer Law's (ACL) prohibition of unfair contract terms (see Part 2-3 of the ACL). The Office suggests that, at minimum, the customer's liability should be limited to direct loss or damage caused, and exclude indirect losses.

4. Clause 4.6 of the gas SFC specifies what fees Synergy may charge. Subclause (k) specifies "other fees". The Office queries whether this subclause meets the requirements of regulation 14(1) of the *Energy Coordination (Customer Contracts) Regulations 2004* which requires a customer contract to "describe the fees and charges payable by the customer under the contract and the circumstances in which those fees and charges are payable" (emphasis added).

Finally, the Office would also like to request that, in future consultations on any replacement SFCs, the Authority provide a copy of the proposed replacement contract with changes tracked.

Yours sincerely

**PAUL BIGGS**  
**A/DIRECTOR, GOVERNANCE**