



# Notice

22 August 2016

## Type 1 Licence Contravention

### REGIONAL POWER CORPORATION (T/A HORIZON POWER)

On 11 August 2016, Horizon Power notified the Economic Regulation Authority (**ERA**) about two contraventions of clause 7.6(2)(b) of the *Code of Conduct for the Supply of Electricity to Small Use Customers* (**clause 7.6(2)(b)**).

Clause 7.6(2)(b) prescribes the times when electricity distributors are not allowed to disconnect customers from supply. Because the disconnection of customers outside the allowed times could cause major disruption to a customer, clause 7.6(2)(b) is classified as a Type 1 (immediately reportable)<sup>1</sup> licence obligation.

#### Details of the Contraventions

The two contraventions occurred on Thursday 11 August 2016, when two customers in Karratha were disconnected from supply at approximately 3.30pm. This was after the 3pm deadline prescribed by the clause.

The contraventions occurred when Horizon Power's Karratha office bypassed the normal customer disconnection process by allocating the disconnection tasks to the project team that was replacing non-standard electricity meters in the area. The project team members were unaware of the 3pm deadline when they disconnected the customers.

Horizon Power has indicated that both affected customer premises were fitted with a new type of meter, and that Horizon Power did not have in place documented processes for disconnecting customers fitted with this type of meter. The ERA assumes this was the reason that the disconnections did not follow the normal process.

#### Remedial and Preventative Action taken by Horizon Power

Both affected customers were reconnected approximately 45 minutes after the disconnection. Horizon Power will also pay both customers the service standard payment prescribed in clause 14.5 of the Code.<sup>2</sup>

In order to prevent a recurrence of the contravention, Horizon Power has suspended disconnections for customers fitted with the type of meter that was involved in the contraventions until:

- the disconnection process documentation has been updated to include this type of meter; and
- staff training has been completed.

<sup>1</sup> The ERA's *Electricity Compliance Reporting Manual* requires licensees to notify the ERA by telephone immediately after it becomes aware that a Type 1 licence obligation has been contravened.

<sup>2</sup> This clause of the *Code of Conduct for the Supply of Electricity to Small Use Customers* requires distributors to pay customers \$100 for every day that they are wrongfully disconnected from supply.

Horizon Power expects to complete these actions by early September 2016.

### **The ERA's Response to the Contraventions**

The ERA considers the effect of these contraventions was limited, as both customers were reconnected to supply shortly after the disconnection. Both customers will receive the monetary compensation they are entitled to. Horizon Power expects to be fully compliant with clause 7.6(2)(b) in future. After taking these factors into consideration, the ERA has decided not to take any further action against Horizon Power.

For further information contact:

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