



# Notice

19 April 2017

## Type 1 licence contraventions

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

Horizon Power has contravened its electricity licence on two occasions by disconnecting customers outside the prescribed timeframe.

On 29 March 2017, Horizon Power notified the Economic Regulation Authority (**ERA**) that it breached clause 7.6(2)(b) of the *Code of Conduct for the Supply of Electricity to Small Use Customers 2016* (**Code**) when it disconnected 59 prepayment meter customers after 3pm. The clause requires that electricity distributors not disconnect customers from supply between 3pm and 9am.

On 5 April 2017, Horizon Power notified the ERA of another contravention of the Code, because one standard meter customer was disconnected outside the Code's allowed timeframe on 8 August 2016.

The ERA has classified this clause as a Type 1 licence obligation, as disconnection outside of office hours can be a major disruption to a customer.

Type 1 breaches are reportable by the licensee to the ERA as soon as they become known.

### Details of the contraventions

1. On the evening of 21 March 2017 and early morning of 22 March 2017, Horizon Power disconnected 59 prepayment meter customers across its supply area. Horizon Power reported that the customers were due to be disconnected on the morning of 21 March 2017 because their prepayment meters had no credit, but a system fault caused it to disconnect the customers after 3pm, breaching the Code.
2. On 8 August 2016, a standard meter customer, due to be disconnected for non-payment of a bill, was disconnected at 3.39pm. Horizon Power reported the contravention occurred because when the service order was raised for the disconnection, a "past date" (a date prior to the current date) was accidentally entered into the system instead of a future time and date that was permitted by the Code. At that time, the system automatically disconnected customers if a "past date" was entered into the system, irrespective of whether or not it was during the Code's permitted timeframe for disconnection. The customer was reconnected the following day when they made a partial payment towards the amount they owed.

### Remedial and preventative action taken by Horizon Power

Horizon Power has advised it has already begun implementing measures to prevent a reoccurrence of the Code breach that resulted in the disconnection of the prepayment meter customers. Horizon Power expects to have the solution to the fault with its automated system implemented by the end of this month. Until then, Horizon Power has put in place a manual process for staff to monitor transactions to ensure a Code breach does not reoccur.

In November 2016, Horizon Power made system and reporting changes to prevent the disconnection of a customer outside the Code's permitted timeframes from a "past date" service order request.

### **The ERA's response to the contraventions**

The ERA considers the effect of the licence contraventions was limited.

Horizon Power scheduled the disconnections of the prepayment meter customers a day earlier than they took place and reactivated all the prepayment meters by the morning of 23 March 2017. By this time, 54 of the 59 customers had purchased credit for their prepayment meters and power was restored to them when the meters were reactivated. The five remaining customers did not purchase credit for their meters and stayed disconnected.

The disconnection on 8 August 2016 was due to the non-payment of a bill and the customer was reconnected the following day when they made the required payment.

Horizon Power advised that it will ensure all these customers receive a service standard payment for the inconvenience caused by the disconnections.

The ERA is concerned that it took until 5 April 2017 for Horizon Power to identify a Type 1 licence contravention that occurred on 8 August 2016. As a result, the ERA has requested that Horizon Power review its licence compliance monitoring processes to ensure future Type 1 licence contraventions are identified when they occur.

After considering these factors, the ERA decided not to take any further action against Horizon Power for the contraventions.

For further information contact:

#### **General Enquiries**

Alex Kroon

Phone: 08 6557 7989

Email: [records@erawa.com.au](mailto:records@erawa.com.au)

#### **Media Enquiries**

Sinead Mangan

Work: 08 6557 7912

Mobile: 0428 859 826

Email: [communications@erawa.com.au](mailto:communications@erawa.com.au)