



Notice

27 April 2017

Type 1 licence contravention

REGIONAL POWER CORPORATION (T/A HORIZON POWER)

Horizon Power has contravened its electricity licence by disconnecting a customer who had an open complaint with the Energy and Water Ombudsman (**Ombudsman**).

On 12 April 2017, Horizon Power notified the Economic Regulation Authority (**ERA**) that it contravened clause 7.6(1)(b) of the *Code of Conduct for the Supply of Electricity to Small Use Customers 2016* when it disconnected the customer.

The clause requires that an electricity retailer must not arrange for the disconnection of a customer if they have a related complaint with the Ombudsman that is yet to be resolved.

The ERA has classified this clause as a Type 1 licence obligation, as disconnection under these circumstances can cause major disruption to a customer.

Type 1 breaches are reportable by the licensee to the ERA as soon as they become known. This breach occurred in June last year.

Details of the contravention

On 28 June 2016, a service order was raised by Horizon Power to disconnect a customer in South Hedland for the non-payment of a bill. Later in the day, the Ombudsman notified Horizon Power that the customer had made a complaint directly related to the reason for the proposed disconnection.

A Senior Customer Service Officer for Horizon Power requested the cancellation of the disconnection service order, but it was not acted on in time to prevent the customer from being disconnected on 29 June.

Remedial and preventative action taken by Horizon Power

Horizon Power advised the ERA that it implemented a change to its processes immediately after the contravention occurred. Horizon Power's Senior Customer Service Officer, who deals with Ombudsman complaints, can now independently cancel disconnection service orders avoiding any delay in the process.

Horizon Power has also implemented other quality system controls to ensure an operator is advised of any open complaint before a disconnection service order can be processed.

The ERA's response to the contraventions

The ERA considers the effect of the licence contravention was limited and action has been taken by Horizon Power to address the cause of the contravention.

Horizon Power said that it aimed to ensure the customer was reconnected as quickly as possible. It reconnected the customer at 11:27am on 29 June 2016, approximately two and a half hours after disconnection.

Horizon Power applied a service standard payment to the customer's account on 30 June 2016 for the inconvenience caused by the disconnection. Horizon Power also discussed this contravention with its staff, reminding them of the current Type 1 licence obligations and the requirement to report any breaches immediately.

The ERA is concerned that it took until 12 April 2017 for Horizon Power to identify a Type 1 licence contravention that occurred in June 2016. The ERA recently asked Horizon Power to review its licence compliance monitoring processes to ensure Type 1 licence contraventions are identified when they occur.

Horizon Power's compliance with the Code's disconnection timeframes will be assessed in its upcoming licence performance audit.

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

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