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Executive Director
Regulation
Economic Regulation Authority
Level 4, Albert Facey House
469 Wellington Street
PERTH WA 6000

2024 Review of the Code of Conduct for the Supply of Electricity to Small Use Customers

Wesfarmers Kleenheat Gas Pty Ltd (**Kleenheat**) appreciates the opportunity to submit feedback to the Electricity Code Consultative Committee (**ECCC**) regarding the consultation paper for the 2024 Review of the Code of Conduct for the Supply of Electricity to Small Use Customers (Code Review).

Kleenheat generally agrees with the majority of the ECCC's recommendations. However, we have concerns with a few specific recommendations. These points are detailed in the attached appendix.

Additionally, Kleenheat has provided input on other matters raised by the ECCC.

Yours faithfully



Deanna Power
Regulatory Affairs

#	DRAFT RECOMMENDATION	RESPONSE TO ECCC
1	Introduce a new provision that prohibits retailers from charging for a paper bill to customers receiving concessions, experiencing financial hardship and vulnerable customers	Agree
2	Introduce a new obligation to advise non contestable customers annually, that the retailer has other tariff plans available.	<p>Kleenheat has the following concerns:</p> <ul style="list-style-type: none"> • Increase service costs: sending notifications—particularly by mail—can be expensive. • Regulated pricing: Prices are regulated, and tariff information and options are clear and easy to understand. • Information readily available: Customers can easily access this information by visiting the retailer's website or calling the customer service centre. • Customer autonomy and choice: Customers should have control over their retail journey, and regulations should allow them to initiate information requests as needed rather than receiving unsolicited information. • Consent: Notifications could potentially contravene the Spam Act or the Privacy Act if customers have not expressly consented to receive the information or have opted out.
3.	Require retailers to offer a bill credit for any charges paid, where the meter is tested and found defective	Agree
4.	Amend clause 23(3) of the Code to allow an estimate to be based on the longest data series, where an accumulation meter has been exchanged for an interval meter.	Agree
5.	Allow a hardship customer with a payment plan to nominate up to three future bills to be incorporated in their payment plan.	Kleenheat supports efforts to minimise the burden of time, stress and administration for customers seeking assistance. We agree with the proposal to simplify future billing for hardship customers who are adhering to payment plans appropriate for their electricity usage. However, we are concerned that this recommendation may only benefit a small number of customers while potentially leaving others worse off.

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		<p>Our concerns include:</p> <ul style="list-style-type: none"> • Risk of escalating debt: Customers may accumulate debt without being aware, leading to increased distress. • Changing customer circumstances: Factors such as family situations, appliance usage, and seasonal weather can affect consumption, which may not be reflected in long-term payment plans. • Focus on early debt intervention: payment assistance should prioritise addressing debt early to prevent escalation and shorten repayment periods. • Insufficient retailer information: Retailers may lack the necessary data on customer electricity usage to create suitable long-term payment plans. • Importance of regular engagement: Regular communication with customers can help identify changed circumstances and provide further assistance. • System and process complexities: Implementing these changes would involve significant complexities within existing systems and processes. • Centrepay overpayment rules: Consideration is needed regarding the overpayment regulations under the Centrepay procedures if electricity usage decreases during the payment plan.
6.	Allow other medical professionals (such as pharmacists and nurses) in regional areas to provide confirmation of a person's ongoing LSE requirement, for the purpose of the three-yearly periodic review, under clause 85(1).	Agree
7.	Amend clause 85(1) to allow triennial reconfirmation from a general practitioner that a person in the Perth metropolitan area continues to require LSE if: - An appropriately qualified medical practitioner certified the LSE requirements for registration of the address. - An authorised medical practitioner has confirmed that the person's condition is enduring, and that the person will have an enduring need for life support equipment to manage the condition. -	Agree

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	The GP confirms that it has sighted the specialist report certifying the enduring need for life support equipment	
8.	Clarify that where multiple persons require LSE at one supply address, the licensee is only obligated to notify the customer or other nominated person under clause 84.	Agree
9.	<p>a) Amend clause 92(1) of the Code to exempt a retailer from providing the nine-month disconnection protection to a customer when the customer expressly declines the protection. The retailer must obtain the customer's verifiable and informed consent.</p> <p>b) Amend clause 92(1) of the Code to require a retailer, to confirm a customer's vulnerable status with either the customer or authorised contact, once they 'become aware' that the customer is a vulnerable customer.</p>	Agree. However, clause 9b) should clarify the approach where the retailer cannot make contact with the customer.
10.	Increase the service standard payment amounts in clauses 94, 95, 96, 97 and 98 by CPI from 2010.	Agree
11.	<p>a) Remove acknowledgement times under subclause 88(a) from the Code.</p> <p>b) Remove service standard payments where retailers and distributors fail to meet complaint acknowledgement times in clauses 96(1) and 98(1) of the Code. 4.1 Removing inconsistent complaint acknowledgement times</p> <p>c) Amend clause 87(2)(c) to include acknowledgement times</p>	Agree
12.	Remove the requirement to proactively provide the required information in clause 66(2) to the customers who disconnect two or more times in any one month for longer than 120 minutes on each occasion.	Agree
13.	Update the Code for minor amendments as per Appendix 1.	Agree

#	QUESTIONS	RESPONSE TO ECCC
1	<p>a) How has the current three-day notice period impacted your ability (or any LSE customers that you are aware of) to prepare for planned interruptions?</p> <p>b) What concerns do you have with extending the notice period?</p>	No comment
2	<p>a) Could the benefits of the 'Knock to stay connected' initiative being trialled in other jurisdictions be replicated in Western Australia?</p> <p>b) What the operational challenges and concerns do you have with this initiative?</p>	<p>Kleenheat agrees that disconnection should only be undertaken when all practical efforts to obtain customer engagement are exhausted. However, we have concerns regarding this approach:</p> <ul style="list-style-type: none"> • Increased Costs: Implementing this initiative could significantly raise service costs for retailers and distributors. • Existing Obligations: Retailers must use best endeavours to contact a customer before disconnection. • Preference for Asynchronous Communication: Many customers prefer asynchronous communication methods and feel anxious and overwhelmed with face-to-face communication. • Availability Issues: Customers may not be home or may be unwilling to answer the door. • Safety Concerns: Personnel conducting disconnections may encounter unpleasant or unsafe interactions. • Privacy Intrusions: Face-to-face interactions may make residents uncomfortable, especially if the contractor undertaking the disconnection is known to them or they live in small communities.
3.	<p>a) Is there a need to amend the Code or can the benefits of a moratorium for disconnecting customers in a heatwave or extreme fire danger be better realised in other ways?</p> <p>b) What are the operational challenges with including this proposal in the Code?</p>	<p>Kleenheat believes there is merit in evaluating whether amending the Code is necessary or if the benefits can be achieved through other means.</p> <ul style="list-style-type: none"> • A voluntary practice of not disconnecting services during the Christmas and holiday periods could be extended to include times of heatwaves and extreme fire dangers.

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		<ul style="list-style-type: none"> • Including this in the Code would impose administrative burdens and delay in implementation due to complex system changes. • Retailers could more effectively tailor their responses to local conditions, as weather conditions are often unpredictable, making strict obligations difficult for retailers and distributors. • A voluntary moratorium would foster customer trust.
4.	<p>a) Should the Code be amended to require retailers to pay interest on overcharges? If yes:</p> <ul style="list-style-type: none"> - What types of overcharges should be eligible for interest payments? - What types of overcharges should be excluded? - Should there be a minimum threshold amount of overpayment before interest is payable <p>b) What are the potential operational challenges or concerns with this issue?</p>	<p>Kleenheat appreciates the intention behind requiring interest on overcharges as a measure to protect consumers. We are committed to ensuring fairness and transparency in billing practices. However, we have concerns regarding the operational challenges of this requirement.</p> <ul style="list-style-type: none"> • Increased Costs for Retailers: Mandating interest payments could significantly increase operational costs, which will ultimately be passed on to consumers. • Criteria: Defining eligible and ineligible overcharges, along with setting a minimum threshold could create confusion and inconsistency in implementation and communication. • Complex Implementation: Determining eligible overcharges for interest payments and calculating interest payments would complicate billing processes. • Disputes: Interest payment may lead to disputes over what constitutes an eligible overcharge. • Negligible Benefits: Most overcharges caused by retailer error are small, resulting in minimal benefits for customers compared to the costs of implementing these changes. • Exemption from interest: It is unfair for retailers to pay interest on overcharges caused by the customer or the distributor. Retailers should not bear the burden of overcharges resulting from errors outside their control, such as customer errors, estimated reads, distributor errors, or other issues not directly related to the retailer's actions.