

Draft

Customer Service Charter Guidelines

July 2006

Economic Regulation Authority



WESTERN AUSTRALIA

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A full copy of this document is available from the Economic Regulation Authority website at www.era.wa.gov.au. For further information, contact

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Overview

The Economic Regulation Authority (Authority) is seeking public comment on the draft Customer Service Charter Guidelines (charter guidelines).

Under the *Economic Regulation Authority Act 2003*, the Authority is responsible for regulating industries covered by the *Electricity Industry Act 2004*, *Energy Coordination Act 1994* and the *Water Services Licensing Act 1995*.

In WA all companies that retail gas or water or those that retail or distribute electricity to residential or small use customers are required to produce a customer service charter (charter).

Through the production of the customer charter guidelines the Authority aims to:

- describe the assorted charter information and review requirements thus providing improved clarity for licensees
- explain the process of approval that will be undertaken by the Authority for all charters in the water area thus enhancing certainty and transparency for all stakeholders.

The charter guidelines do not provide scope for the review of whether licensees should or should not be required to produce a charter. This matter is outside the scope of the guidelines and better dealt with during review of the licence or relevant regulatory instrument.

In general, all submissions from interested parties will be treated as in the public domain and placed on the Authority's website. The receipt and publication of any submission lodged for the purposes of this public consultation shall not be taken as indicating that the Authority has formed an opinion as to whether or not any particular submission contains any information of a confidential nature.

Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of the submission for which it is claiming confidentiality, and specify in reasonable detail the basis upon which the claim is made. The treatment of information provided in submissions, including confidential information, will be considered in accordance with the provisions of the Economic Regulation Authority Act 2003.

Submissions may be provided in hard-copy or electronic form and must be received by the Authority by the close of business on **Friday, 11th August 2006**.

Submissions should be addressed to:

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1 What are the Customer Service Charter Guidelines?

Western Australian gas, electricity and water companies are required to produce a charter. Electricity and water licensees are required to review their charter at regular intervals specified in the licence and submit the reviewed charter to the Authority for review in the case of electricity and for approval in the case of water.

The charter guidelines provide information on;

- the minimum requirements for charters in each of these industries;
- the guidelines for the review of charters, where review is required; and
- an explanation of the process that will be employed by the Authority in reviewing charters in the case of electricity and approving charters in the case of water.

2 What is a Customer Service Charter?

A charter can be broadly defined as a published statement containing:

- a list of customer entitlements;
- details regarding a licensee's services; and
- information relevant to the relationship between the customer and the licensee.

Charters have a range of purposes which may include customer education and the differentiation of service providers in a competitive market. The benefit derived from a charter is usually commensurate with the effort invested by the licensee in the development and review process.

In the energy industry, licensees are required to produce, and have approved by the Authority, a standard form contract. The standard form contract is the principle document that establishes the terms and conditions of the relationship with customers. In the water industry, where there is no approved standard form contract, the charter developed by water licensees represents the principle document governing the relationship between licensee and customer.

3 Charters in the Gas Industry

The gas licence specifies that the charter must include at least a statement of the general principles upon which it will provide services to small use customers.

Further, it is a condition of the gas trading licence that a licensee must use its best endeavours to maintain a level of customer service at least consistent with the customer service code. The customer service code, until the Coordinator (Authority) approves another, is the Australian Gas Association Natural Gas Customer Service Code AG 755-1998 (AGA Code).

The AGA Code requires that a supplier shall prepare a customer charter and/or a standard form contract¹.

The AGA Code (s1.2) specifies that the charter should:

¹ Currently Gas licensees are required to produce a standard form contract and submit to the Authority for approval prior to the grant of the Licence approval by the Authority (ss11WD&11WE Energy Coordination Act 1994) and to provide a customer service charter to its customers S45 of the *Energy Coordination (Customer Contracts) Regulations 2004*.

- summarise the AGA Code and any greater benefit which a supplier provides to a customer;
- include a reference to Authority or Authorities relevant for that supplier; and
- be in plain language and a format easily understood by customers.

In addition, the licence provides that the licensee must make available the following information to its small use customers on or before the date of the first bill, whether via the charter or otherwise:

- any information required to be made available to the small use customer under the standard customer contract, in the manner required by the standard customer contract;
- the information required to be provided under clause 2.1.2.1 of the (AGA) customer service code. This provision requires that the supplier provide, on or before the date of the first bill information which includes;
 - the type and frequency of bills the customer will receive;
 - payment options available to the customer;
 - government energy assistance schemes and concessions;
 - how to make a complaint to, or enquiry of, the supplier;
 - the supplier's 24 hour, 7 days a week emergency line;
 - the supplier's language translation or disability services;
 - the customer's quality of supply obligations; and
 - complaints and dispute resolution processes
- a summary of key relevant provisions of the (AGA) customer service code, together with information required by clause 1.3.4 of the customer service code regarding changes to the code;
- a summary of the licensee's key relevant powers in the event of an emergency; and
- a summary of the licensee's processes for handling enquiries and complaints.

The *Energy Coordination (Customer Contracts) Regulations 2004* specify that the supplier must, if requested to do so, provide a customer with a copy of its charter free of charge within 2 business days after receiving the request.

There is no requirement for gas licensees to review their charter at this time.

The licence requires licensees to submit their charter to the Authority, however, the Authority has no role in reviewing or approving these charters.

4 Charters in the Electricity Industry

The *Code of Conduct (For the Supply of Electricity to Small Use Customers)* (Code) requires that electricity retail and distribution licensees produce and publish a charter.

Provisions of the Code and the licence require that the charter must contain:

- a summary of both the customer's and the retailer or distributor's rights and obligations under the Code;
- an explanation of the complaints handling process;

- the availability of different types of meters;
- an explanation of the difference between the retail and distribution functions;
- reference to key documents in relation to the sale of electricity to customers; and
- contact details of the retailer or distributor, the Authority, Energy Safety and the Electricity (Energy) Ombudsman.

It is a condition of the licence that the charter be reviewed at least once every 36 months and that the review have regard to the guidelines published in this document. The licence requires that the licensee submit the results of the review to the Authority within 5 business days.

It is a licence condition that the Authority publish the review and the Authority's assessment of the review on the Authority's website within a reasonable time of receiving the review. Further, the licensee may amend its charter at any time by submitting the amendment to the Authority. In this case the Authority will review the amendment and publish the result of that review on the Authority website within a reasonable period.

The Authority aims to utilise the guidelines laid out in this document as a basis for their review.

5 Charters in the Water Industry

The operating licence requires that a licensee through the development of a charter set out, in writing, the principles, terms and conditions upon which it intends to provide water services to its customers and in doing so must address all of the issues that are reasonably likely to be of concern to customers.

The Authority recommends that the charter contain elements including:

- An introduction which provides a brief description of the utility and a commitment to service that states the service values underpinning the operations of the utility.
- A section detailing conditions for connection including how customers can obtain services and a list of products and services offered. These should be clearly and individually identifiable.
- A statement of standards and customer rights including the level of service that customers can expect should be specified.
- A section detailing the utility's powers including, for example, the power to prohibit the discharge of unauthorised substances into the wastewater system.
- A section detailing communication procedures including information on customer committees, notice for work to be undertaken, and dealing with correspondence.
- Contact information containing the address, telephone number and general business hours of the agency. It should also contain the positions and numbers of relevant contact officers, and make it clear who is the appropriate point of contact. The charter also needs to explain how customers can obtain emergency assistance with a list of appropriate telephone numbers.
- A section dealing with complaints resolution mechanisms, including relevant contact details for the Department of Water.

It is a licence condition that all licensees review their charter not less than once in every 36 month period or more often in some cases where specified in the licence.

The licence requires that any proposed amendment to the charter must be forwarded to the Authority for approval prior to implementation.

The Authority aims to utilise the guidelines laid out in this document as a basis for the approval process. As is the case in electricity, the Authority will publish the review and the Authority's assessment of the review or amendment on the Authority's website within a reasonable time of receiving the review.

6 Charter Review Guidelines for Electricity & Water

It is important that the Authority undertakes a transparent decision making process when reviewing or approving charters. To this end, the Authority has developed a list of criteria that it plans to use when undertaking the charter review or approval process:

6.1 Existence

Has the licensee undertaken a review process, at regular intervals and within the required timeframe?

6.2 Accuracy

Does the charter comply with all relevant legislative, code or regulatory requirements and is it in line with the standard form contract and/or the licence requirements?

6.3 Consultation

Has the licensee engaged with customers and/or their representatives in the development and/or review process?

6.4 Accessibility

Has the final document been prepared in simple language that is easily understood by customers?

6.5 Availability

Has the licensee developed a plan for the reviewed charter to be disseminated to customers in at least the manner required within the relevant code or licence?

The Authority is keen to receive feedback from all stakeholders regarding these criteria during the public consultation period.