

# Economic Regulation Authority

 WESTERN AUSTRALIA

*Promoting fair prices, quality services and choice.*



# Complaints & Regulation – The Link

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# Overview

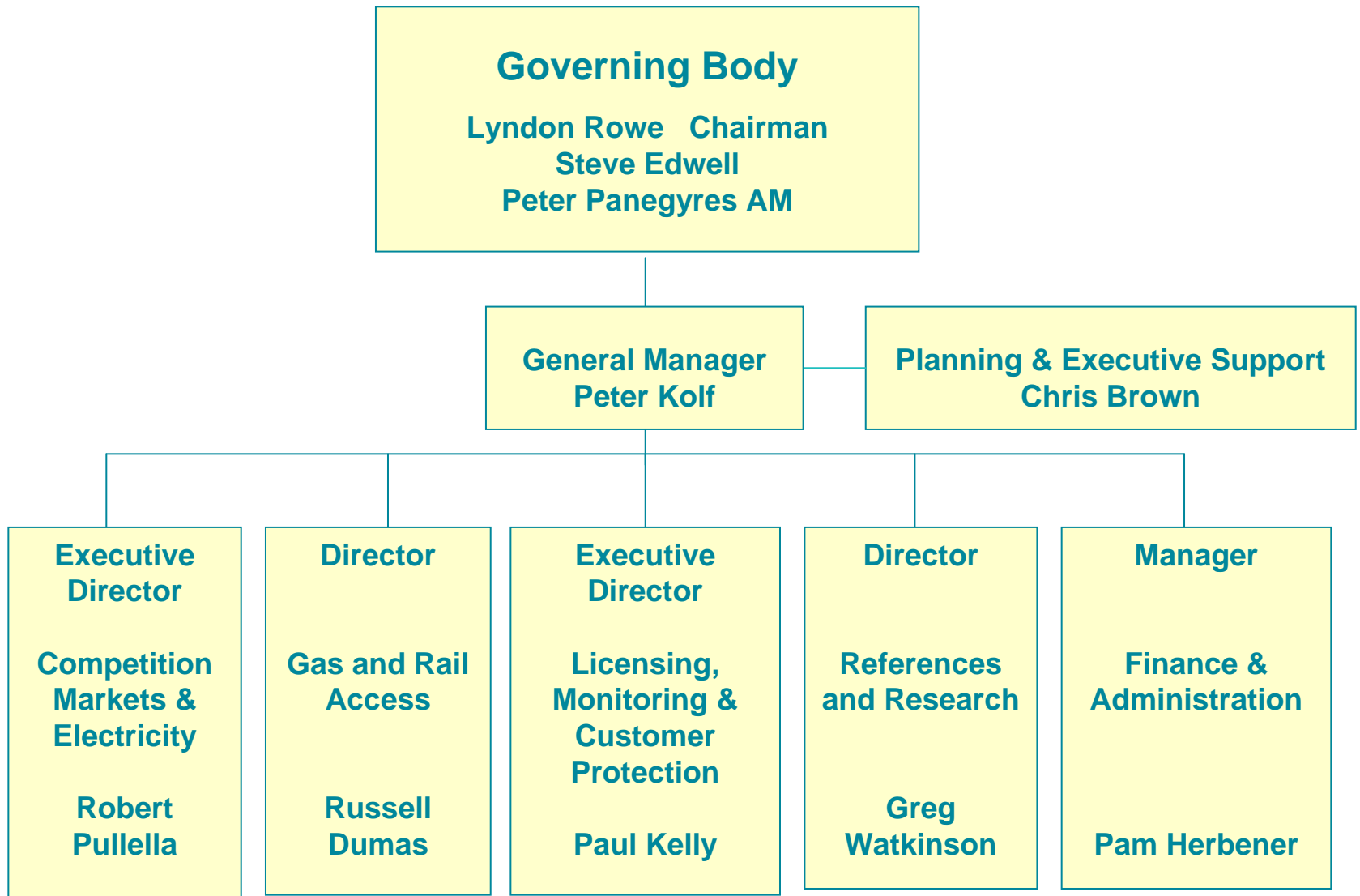
- Role of the ERA
- Interface with the Energy Ombudsman & Department of Water
- Regulation and the impact on Customer Complaints
- Areas under review

Regulated Utility	Relevant Legislation
Gas	<ul style="list-style-type: none"> <li>• <i>Energy Coordination Act 1994</i></li> <li>• <i>Gas Pipelines Access (Western Australia) Act 1998</i></li> <li>• <i>Energy Coordination Regulations 2004</i></li> <li>• <i>Energy Coordination (Customer Contracts) Regulations 2004</i></li> <li>• <i>Energy Coordination (Last Resort Supply) Regulations 2005</i></li> <li>• <i>Energy Coordination (Licensing Fees) Regulations 2005</i></li> <li>• <i>Energy Coordination (Retail Market Schemes) Regulations 2004</i></li> <li>• <i>Gas Pipelines Access (Western Australia) Regulations 2000</i></li> <li>• <i>Gas Pipelines Access (Western Australia) (Funding) Regulations 1999</i></li> <li>• <i>Gas Marketing Code of Conduct 2004</i> (to be repealed and replaced in accordance with the Authority's Final Decision of March 2007, refer to the Agency Performance section for further information).</li> </ul>
Electricity	<ul style="list-style-type: none"> <li>• <i>Electricity Industry Act 2004</i></li> <li>• <i>Electricity Industry (Code of Conduct) Regulations 2005</i></li> <li>• <i>Electricity Industry (Customer Contracts) Regulations 2005</i></li> <li>• <i>Electricity Industry (Licence Conditions) Regulations 2005</i></li> <li>• <i>Electricity Industry (Access Code Enforcement) Regulations 2005</i></li> <li>• <i>Electricity Industry (Licensing Fees) Regulations 2005</i></li> <li>• <i>Electricity Industry (Obligation To Connect) Regulations 2005</i></li> <li>• <i>Electricity Industry (Wholesale Electricity Market) Regulations 2004</i></li> <li>• <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i></li> <li>• <i>Code of Conduct (For the Supply of Electricity to Small Use Customers)</i></li> <li>• <i>Electricity Industry Customer Transfer Code 2004</i></li> <li>• <i>Electricity Networks Access Code 2004</i></li> <li>• <i>Electricity Industry Metering Code 2005</i></li> </ul>
Water	<ul style="list-style-type: none"> <li>• <i>Water Services Licensing Act 1995</i></li> <li>• <i>Water Services Coordination Regulations 1996</i></li> </ul>
Rail	<ul style="list-style-type: none"> <li>• <i>Railways (Access) Act 1998</i></li> <li>• <i>Railways (Access) Code 2000</i></li> </ul>

# The Economic Regulation Authority

- Administers industry specific legislation
- Independent of Government
- Access, Licensing, Monitoring & Customer Protection
- Inquiries function

# Economic Regulation Authority



# Role of the ERA

## Licensing Monitoring & Customer Protection

- Area has been a challenge to date
- Administers around 80 licences
- Issued 13 guidelines/manuals since April 06
- Approach, to date, has been very successful
  - Reference Group
- Some way to go

# Role of the ERA

- Oversight of Codes and Licensing Schemes
- Customer protection role:
  - Amendment of codes
  - Setting of licence conditions
  - Approval of Standard Form Contracts (electricity & gas)
  - Customer Charters (approve for water)



# Role of the ERA

## Codes and Licensing Schemes

- Authority monitors and enforces compliance
  - Seeks improved consumer protection
  - Seeks to minimise compliance costs
  - Consumer focused
  - Publishes performance reports
  - Provides guidelines and reporting manuals
  - Seeks continuous improvement

# Role of the ERA

## Wide ranging public consultation

- ERA Consumer Consultative Committee
- Key stakeholder meetings
- Seminars and briefing sessions
- Processes are consultation focussed:
  - Issues paper
  - Draft decision/report
  - Final decision/report

# Regulatory Instruments

	ELECTRICITY	WATER	GAS
General Licence Conditions .....	✓	✓	✓
Customer Charter .....	✓	✓	✓
Standard Form Contract .....	✓		✓
Gas Marketing Standard.....			✓
Small Use Customer Code .....	✓		
Reliability Code .....	✓		
Customer Transfer Code .....	✓		
Customer Contracts Regulations ...	✓		
Obligation to Connect Regulations ..	✓		
Hardship Policy .....	✓		

# Energy Ombudsman & Department of Water

- Receive & investigate complaints – billing, debt recovery, disconnection
- Facilitate and arbitrate relative to regulatory instruments
- Identify systemic issues – including substantial breaches of licence conditions or breaches of relevant codes
  - Authority may investigate serious breaches of licence conditions
    - To improve regulation

# Complaints Handling

## Australian Standard on Complaints Handling

- Fairness
- Timeliness
- Notification of a complaints process
- Not charging for mediation

# Complaints Handling

Recent history: number of complaints:

- Water – mixed
- Gas – significant decline in complaints
- Electricity – too early to report

# Complaints Handling

- Achieve 'Best Practice' regulation:
  - Work to minimise the number of complaints
  - Work to minimise escalation of complaints to higher level
  - Achieve consistency & transparency in regulation

# Complaints Handling

Address consumer issues through:

- Performance reporting:
  - Gas & electricity compliance reporting manuals
  - Water compliance reporting manual under development
- Regular meetings with Ombudsman & DoW
  - Identify systemic issues



# Performance Reporting

- Objective:
  - National consistency to facilitate national comparisons
- Steering Committee on National Regulatory Reporting Requirements
- National Water Initiative (WA since April 2006)

# Areas under review

## Electricity

- Revised Small Use Customer Code (2008)
  - To be gazetted on 1 Jan 2008
- Financial Hardship policy guidelines
  - ERA to commence work on voluntary guidelines shortly
- Pre-payment Meter Research
  - ERA to fund independent research

# Areas under review

## Gas

- Review of gas licences completed
- Gas Marketing Code repealed
- New Gas Customer Code being drafted (2008)
  - To be broadly consistent with Small Use Customer Code
  - In effect, single energy code.

# Areas under review

## Water

- New (draft) Water Services Act
  - may provide:
    - Water Code of Conduct
    - Water Industry Ombudsman
  
- Review of water operating licences
  
- Water Reporting Manual

# Conclusion/Lessons

- Strive for continuous improvement
- Consult widely
- Be open and transparent
- Listen and take advice
- Be firm but fair