

Energy Ombudsman Western Australia

Free, independent and fair dispute resolution

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Mr. Paul Kelly
ECCC Chairman
Economic Regulation Authority
Level 6
197 St Georges Terrace
PERTH WA 6000

Dear Mr. Kelly

Proposed Amendments to the *Code of Conduct for the Supply of Electricity to Small Use Customers 2008* related to Pre-payment Meters.

Reference is made to the Electricity Code Consultative Committee (ECCC) Discussion Paper 1 – Economic Regulation Authority Proposed Pre-payment Meter Amendments to the *Code of Conduct for the Supply of Electricity to Small Use Customers 2008* – June 2009, and the invitation for comments on that Paper. The following comments are submitted for the consideration of the ECCC.

In April 2007, the Energy Ombudsman also submitted comments in relation to the introduction of pre-payment meters in a submission reviewing the *Code of Conduct for the Supply of Electricity to Small Use Customers*.

With respect to Discussion Paper 1, the Energy Ombudsman is of the view that pre-payment meters should only be used with the written agreement of the customer and in the absence of such agreement a standard (or credit) meter should be installed.

Prior to agreeing to use pre-payment meters consumers should be provided with information about all installation and reversal costs and all tariffs, fees and charges that apply to both credit meters and pre-payment meters so that consumers can make informed choices as to the type of meter they prefer. Customers using pre-payment meters should be given information by their retailers about any relevant concessions that customers may be eligible for.

Adequate consumer protection mechanisms and reporting regimes should be established to protect consumers. To that effect, should pre-payment meters be introduced, the Energy Ombudsman believes that Part 9 of the *Code of Conduct for the Supply of Electricity to Small Use Customers* should provide specific advice confirming that customers with pre-payment meters have access to the Energy Ombudsman scheme in the event of a dispute arising with their retailer or distributor.

The Energy Ombudsman is of the view that the operation of pre-payment meters outside the existing areas should only occur in accordance with the general principles above. Further to this, the Energy Ombudsman believes that provided consumers are given the information referred to above, there should be no objection to consumers paying for the installation and reversal costs associated with pre-payment meters.

If pre-payment meters are introduced beyond the existing prescribed areas, provisions similar to those contained in the ACT and SA Prepayment Meter Codes should be included in Part 9 of the *Code of Conduct for the Supply of Electricity to Small Use Customers* so as to ensure a consistent approach is taken across jurisdictions with respect to issues such as pre-payment meter system requirements; and the necessity for retailers to keep appropriate records regarding pre-payment meter customers.

Thank you for the opportunity to comment on the Discussion Paper.

Yours sincerely,

Justin O'Malley
Acting Director - Energy
ENERGY OMBUDSMAN WA