

Submission to the

Electricity Code Consultative Committee

Regarding

**the Economic Regulation Authority's Proposed
Pre-Payment Meter Amendments to the *Code of Conduct
for the Supply of Electricity to Small Use Customers
2008***

21 August 2009



Executive Summary

Matter Economic Regulation Authority's (**ERA**) proposed pre-payment meter (**PPM**) amendments to the *Code of Conduct for the Supply of Electricity to Small Use Customers 2008* (**Customer Service Code**).

Context The ERA proposes to amend Part 9 of the Customer Service Code with the aim of facilitating the deployment of PPM in Western Australia beyond remote communities. In doing so, the ERA has proposed a series of amendments primarily aimed at addressing customer protection issues as well as providing a level of protection commensurate with other jurisdictions.

Scope This submission is provided by Synergy to the Electricity Code Consultative Committee (**ECCC**) to assist its consideration of the proposed PPM amendments.

Key issues

1. **Customer choice.** It appears the proposed PPM regulatory framework has been designed to protect hardship customers with the end result that the vast majority of the potential PPM market will incur additional costs in doing so.
2. **Meter technology and cost.** It is unclear whether the full ramifications of the proposed PPM functionality have been assessed.
3. **Grandfathering arrangements.** Synergy will require grandfathering of the existing PPM arrangements at Ninga Mia.
4. **Western Australian regulatory framework.** Western Australian metering arrangements are complex, involve various regulatory instruments which are interrelated and co-dependent. However, these interrelationships do not appear to have been adequately taken into account. Furthermore, the Customer Service Code amendments seek to impose contractual obligations on retailers outside of the standard form contract/non-standard contract framework.
5. **Distributor and retailer obligations.** Western Australian metering arrangements impose very different obligations on retailers and distributors. However, the majority of the proposed PPM obligations will be imposed on the retailer, which in a number of circumstances is inappropriate.

Recommendations

1. PPM should be permitted to be deployed beyond remote communities.
 2. Retailer hardship policies and government hardship assistance should include PPM customers.
 3. Customer protection measures should be carefully targeted at those customers who require them opposed to all small use customers otherwise the PPM cost to all small use customers will be higher than would otherwise be the case.
 4. The full market impacts of the proposed PPM functionality should be assessed.
 5. The full regulatory impacts of the proposed PPM arrangements should be assessed across all regulatory instruments relating to metering.
 6. The ability for the Customer Service Code to impose contractual obligations on a retailer needs to be considered.
 7. The delineation between retailer and distributor obligations needs to be redefined to be consistent with the existing regulatory framework.
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1. Background

At the request of the Ninga Mia aboriginal community and the state government, Synergy commenced PPM electricity supply to a small number of residents at the community in July 2009.

In doing so, Synergy became subject to the requirements of Part 9 of the Customer Service Code – *Pre-payment Meters in Remote Communities*.

The ERA proposes to amend Part 9 with the effect of facilitating the deployment of PPM in Western Australia beyond remote communities. In doing so, the ERA has proposed a series of amendments primarily aimed at addressing customer protection issues as well as providing a level of protection commensurate with other jurisdictions.

The ERA's proposed amendments draw heavily on the work undertaken by the Allens Consulting Group (**Allens**) who assessed the cost-benefit of the current operation of PPM in Western Australian aboriginal communities and the cost-benefit of using PPM more widely in Western Australia¹ (**Allens report**).

¹ Refer Allens Consulting Group "*Prepayment meter systems in Western Australia Cost benefit analysis and regulatory impact assessment May 2009 Final report to the Economic Regulation Authority*" www.era.wa.gov.au

Key findings from the Allens report were:

- Allowing the use of prepayment meters in Western Australia is considered to be, in aggregate, in the public interest. This is primarily because the benefits to electricity retailers and the Western Australian community of using PPM exceed the costs.
- There is however, potential for the use of PPM to make some electricity customers significantly worse off. Avoiding this requires developing mechanisms to ensure that customers on PPM have access to hardship assistance payments.

According to the Allens report permitting the operation of PPM throughout Western Australia provides the following potential advantages:

- an opportunity for retailers to expand the range of product options available to customers;
- points of differentiation between retailers;
- decreased meter reading costs; and
- reduced incidence of non-payment of accounts and debt recovery costs.

The Allen's report also identified the following potential disadvantages:

- opportunity for coercion by retailer;
- limited potential customer contact;
- hiding of the underlying issues of affordability and capacity to pay for an essential service;
- increased risk of disconnection and the health, safety and well-being issues associated with disconnection;
- a decrease in flexibility in payment terms; and
- a lack of customer access to hardship policies and schemes.

2. Key issues

2.1 Customer Choice

Synergy commenced PPM electricity supply to customers at Ninga Mia in July 2009 in response to customer demand. Community feedback to date has been positive.

Synergy considers PPM to be an effective option to assist small use customers to:

- manage their electricity budgets;
- educate customers on how their electricity use affects their bill and hence how to reduce their bill;
- promote demand management and energy efficiency; and

- provide lifestyle choices.

Given the reaction of some stakeholders to PPM use, Synergy considers it appropriate for the Customer Service Code to reflect that no customer should be obliged to accept electricity supply via a PPM. Conversely, no retailer should be obliged to offer to supply electricity to a customer by way of a PPM.

The Allens report concluded most of the costs and benefits of PPM only arise for customers that have difficulties paying their electricity bills. Non-hardship customers, who comprise more than 99% of the potential PPM market, would face a cost of around \$8.80 per year.

A hardship customer within the SWIS however, could be worse off by as much as \$304 per annum, as they do not currently have access to state government hardship assistance, which is available to an eligible customer who is supplied via a credit meter.

This matter is being collaboratively addressed by the state government, Horizon Power and Synergy. Once concluded, this should significantly reduce the negative cost impacts identified by Allens with respect to hardship customers.

It appears the proposed PPM regulatory framework has been designed to protect hardship customers with the end result that the balance, or 99%, of the PPM market will bear the additional costs of doing so.

The trial period is a good example of this. Synergy considers it appropriate that retailer hardship policies should apply to PPM customers and that a three month cooling off/ PPM trial period should be considered as part of that policy.

However, the ERA has not demonstrated why a three month cooling off period should apply to the mass market at the retailer's expense, especially if these customers do not experience financial hardship, including business customers. As a customer is under no compulsion to accept a PPM, it is unreasonable to expect a retailer to fund the cost of a customer rescinding that decision.

It has been claimed that the use of PPM by customers will limit the retailer's relationship with the customer. This has not been Synergy's experience with Ninga Mia. Synergy staff have made several on-site visits to the community, specific customer information has been prepared and personally rolled-out.

Our PPM customer accounts are specifically designated so that when a PPM customer contacts Synergy staff know they are dealing with a PPM customer. Training programs are being introduced produced so that staff understand our PPM obligations and supply arrangements under the Customer Service Code.

2.2 Metering technology and cost

In proposing a particular PPM functionality under the Customer Service Code, it is unclear as to whether the ERA has considered:

- The cost impacts on distributors, retailers as well as customers.
- How the standard metering services regulated under the SWIS access arrangement will be impacted.

- How the Communications Rules will be impacted.
- How Western Power's access arrangement will need to be amended so that a reference service can be provided for customers who have PPM.
- What changes will need to be made to the customer transfer requirements, including to the Customer Transfer Code, so that contestable small use customers with a PPM can churn to other retailers.
- How the cost of the proposed PPM functionality will impact the overall findings of the Allens report.
- Whether the proposed prescribed PPM functionality can be accommodated within the Ministerial Council on Energy's proposed national advanced meter specification.

The ECCC should seek the ERA's guidance on these matters.

2.3 Grandfathering arrangements

In the event that all of the proposed amendments to the Customer Service Code proceed (Synergy questions whether this is permissible in their current form – refer sections 2.4 and 2.5), Synergy will require grandfathering arrangements with respect to the PPM electricity supply to the Ninga Mia community.

Synergy proposes that a provision similar to clause 3.14 of the *Electricity Industry Metering Code 2005 (Metering Code)* is required to grandfather existing PPM commissioned prior to any new arrangements taking effect. The absence of such a provision will impact Synergy's ability to continue to supply electricity via PPM to the Ninga Mia community or alternatively, significantly increase the cost to PPM customers.

2.4 Western Australian Regulatory Framework

Metering

There are number of regulatory instruments in Western Australia that relate to metering, principally the Metering Code. These instruments and a summary of the matters they address are detailed in Attachment 1.

Synergy contends that the proposed PPM amendments are inconsistent with the Western Australian regulatory framework and some are potentially invalid due to the operation of the *Electricity Industry Act 2004 (Act)*.

Key reasons are:

- Section 39(2) of the Act provides that the ERA may make a code in relation to certain matters, specifically a metering code. Section 39(2a) of the Act states if the ERA has not prepared and issued a code in respect of a code matter, the Minister for Energy (**Minister**) may do so. The Minister established the Metering Code on 9 December 2005. Section 39(2b) provides that in the event the Minister makes a code with respect to a code matter, the Authority cannot issue a code in respect of that matter. The Authority needs to consider whether it has the power to deal with metering matters under the Customer Service Code, or whether it is precluded from doing so by virtue of

section 39 of the Act and the existence of the Ministerially established Metering Code.

- The Metering Code objectives are to:
 - (a) promote the provision of accurate metering of electricity production and consumption;
 - (b) promote access to and confidence in data of parties to commercial electricity transactions;
 - (c) facilitate the operation of Part 8 and Part 9 of the Act, the Customer Transfer Code and the Customer Service Code.
- The Metering Code currently deals with pre-payment meters in clause 3.25, which requires a network operator (i.e. distributor) who operates and maintains a PPM meter on its network to operate and maintain the meter in accordance with good electricity industry practice and as far as reasonably practicable minimise any departure from the Metering Code requirements. This provision would appear to be inconsistent with many of the proposed amendments to the Customer Service Code, particularly those amendments that contemplate a retailer being responsible for PPM, including functionality.
- In any event, there are a number of PPM proposed amendments to the Customer Service Code which are clearly Metering Code matters – PPM installation, operation and maintenance (clause 9.3), PPM functionality (clause 9.8) and meter testing (clause 9.11). Given section 39 of the Act and the ministerially established Metering Code, all of these matters properly fall within the Metering Code. Synergy recommends these matters be dealt with under the Metering Code.
- The proposed PPM amendments which seek to impose network metering obligations on a retailer under the Customer Service Code are also inconsistent with the Metering Code because the Metering Code provides that all meters are owned by a distributor (including PPM) and such network metering obligations are imposed on a distributor.

Customer contracts

A retailer can seek to enter into a PPM contract with a customer in two forms:

- standard form contract; and
- non-standard contract.

These contracts are regulated in accordance with Part 3 of the Act and the *Electricity Industry (Customer Contract) Regulations 2005*.

Clause 9.5 of the proposed amendments to the Customer Service Code stipulates the PPM matters that must be addressed in either a standard form contract or non-standard contract.

Synergy considers that the ERA does not have the statutory power to use the Customer Service Code to stipulate the matters to be included within a standard form contract and non-standard contract, as these are matters that must be addressed under Part 3 of the Act. The ERA should consider this issue.

2.5 Distributor and retailer obligations

The proposed PPM amendments to the Customer Service Code incorrectly impose a number of metering obligations on a retailer and not a distributor.

It is the distributor who currently has statutory responsibility for meter ownership, installation, operation, maintenance, meter data provision and data ownership. Synergy is concerned that the ERA will seek to impose a number of distributor related obligations on a retailer, which the retailer cannot legally comply with.

This issue was considered as part of the ECCC's statutory review of the Customer Service Code. Synergy is concerned that the proposed PPM amendments exacerbate the problem of a retailer being liable for network metering functions and the actions of a distributor.

This is because the proposed amendments seek to impose a number of obligations on a retailer in circumstances where the retailer does not have the legal ability to perform those obligations. The statutory responsibility for all meters, including PPM and all network metering functions is placed on the distributor and thus these matters are outside of the control of the retailer. Examples include:

- Clause 9.3(1) (and the existing sub-clause (2)). A retailer does not install, operate nor maintain a meter. This is the statutory responsibility and function of a distributor under the Metering Code.
- Clause 9.6. A retailer cannot comply with the proposed requirement to replace or switch a PPM to a standard meter within 5 business days of a customer's request as retailers are prohibited under the Metering Code from owning and operating a meter on a distributor's network.
- Clause 9.8. This matter deals with meter functionality and data provision. Again this is a distributor function under the Metering Code.
- Clause 9.11. Under this clause a retailer is financially liable to the customer in the event that a customer is overcharged as a result of faulty meter. However, it is the retailer and not the distributor (who owns, operates and maintains the meter) that is financially liable. This is inequitable.
- Clause 13.7. Synergy questions why a distributor has no obligation to record PPM complaints. For example, in the case of customer complaint relating to PPM installation.

Currently the distributor does not offer a network reference service to support the implementation of PPM within the SWIS. Currently PPM customers are not eligible to use any of the reference services approved by the ERA under the current and proposed Western Power access arrangement.

It is unclear what mechanism the ERA wants the retailer to use in order to procure and nominate access to the network for customers with PPM meters. In addition, it is not clear whether that mechanism is consistent with the objectives of the Electricity Networks Access Code.

The issues Synergy has raised in sections 2.4 and 2.5 illustrate that Western Australian metering arrangements are complex, involve a range of different regulatory instruments and impose very different obligations upon retailer and distributor.

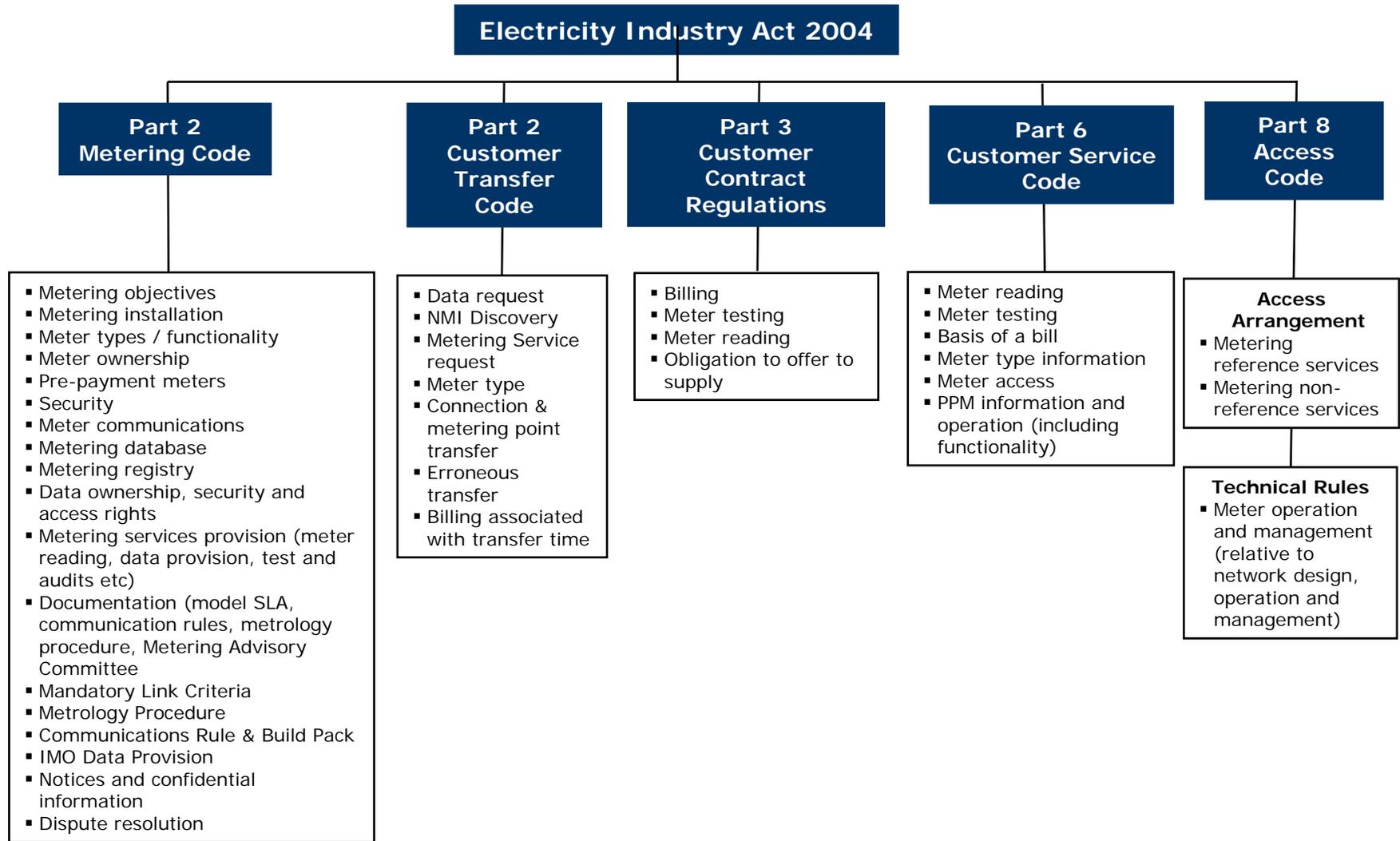
Synergy strongly recommends that the proposed PPM amendments to the Customer Service Code should not be considered or progressed in isolation but be considered in the context of the entire regulatory framework relating to metering.

2.6 Other matters

Attachment 2 details Synergy's comments with respect to the proposed PPM amendments.

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Metering framework under the Electricity Industry Act 2004



Summary of Synergy response to the proposed PPM amendments

Proposed amendment	Comment
<p>9.1 Definitions</p> <p>In this Part –</p> <p>“credit retrieval” means the ability for a <i>pre-payment meter customer</i> to recover any payments made for the supply of electricity.</p> <p>“recharge facility” means a facility where a <i>pre-payment meter customer</i> can purchase credit for the <i>pre-payment meter</i> including a disposable <i>pre-payment meter</i> card.</p> <p><u>“self-disconnected” means the interruption to supply because a <i>pre-payment meter</i> has no credit available and includes an interruption to supply because the <i>pre-payment meter</i> has no emergency credit available.</u></p> <p><u>“trial period” means the period in the <i>pre-payment meter contract</i> referred to in subclause 9.5(1) that provides a minimum three month period at or before the expiry of which the <i>pre-payment meter customer</i> may terminate the <i>pre-payment meter contract</i> at no cost to the <i>pre-payment meter customer</i>.</u></p>	<p>Refer issue 2.4 – Western Australian Regulatory Framework</p> <p>Synergy does not consider it is within scope of the Customer Service Code to specify the matters that must be included within a standard and non-standard contract.</p>
<p>9.2 Application</p> <p>(1) Parts 4, 5, 6 (with the exception of clause 6.10), 7 and 8 and clauses 2.4 <u>(other than as specified below)</u>, 10.2 and 10.7 of the Code do not apply to a <i>pre-payment meter customer</i>.</p>	<p>Refer issue 2.1 – Customer Choice</p> <p>Synergy supports removal of PPM restrictions. Clause 9.2(2) should be deleted and not clause 9.2(1) as stated.</p>

Proposed amendment	Comment
<p>9.3 <u>Installation and operation</u> of pre-payment meter</p> <p>(1) <u>A retailer must not require a customer to install or maintain the installation of a pre-payment meter.</u></p> <p>(2) A retailer must not operate a <i>pre-payment meter</i> at a <i>residential customer's supply address</i> without the <i>verifiable consent</i> of the <i>customer</i> or the <i>customer's</i> nominated representative.</p> <p>(3) A retailer must establish an account for each <i>pre-payment meter</i> operating at a <i>residential customer's supply address</i>.</p>	<p>Refer issue 2.4 – Western Australian Regulatory Framework</p> <p>The amendment is inconsistent with regulatory framework relating to metering:</p> <ul style="list-style-type: none"> ▪ a retailer cannot compel a customer to install or maintain a PPM. ▪ A customer cannot install or maintain a PPM.
<p>(d) <u>details of the trial period at or before the expiry of which the residential customer may terminate the pre-payment meter contract at no cost to the customer.</u></p>	<p>Refer issue 2.1 – Customer Choice</p> <p>Synergy does not support the trial period applying to all small use customers. Synergy supports a trial period applying to only hardship customers, under hardship policy arrangements.</p>

Proposed amendment	Comment
<p>9.5 Trial period</p> <p>(1) A <i>pre-payment meter contract</i> must provide for a minimum three month period at or before the expiry of which the <i>pre-payment meter customer</i> may terminate the <i>pre-payment meter contract</i> at no cost to the <i>pre-payment meter customer</i>.</p> <p>(2) The <i>trial period</i> must commence on the later of the installation of the <i>pre-payment meter</i> or the date that the <i>customer</i> agrees to enter into a <i>pre-payment meter contract</i>.</p> <p>(3) Where a <i>pre-payment meter customer</i> terminates a <i>pre-payment meter contract</i> during the <i>trial period</i>, the <i>retailer</i> must make immediate arrangements:</p> <p>(a) for the removal or rendering non-operational of the <i>pre-payment meter</i> at no cost to the <i>customer</i>;</p> <p>(b) to replace or switch the <i>pre-payment</i> to a standard <i>meter</i> at no charge; and</p> <p>(c) to provide the information referred to in clauses 2.3 and 2.4 to the <i>customer</i>.</p> <p>(4) A <i>retailer</i> must send a notice to a <i>pre-payment meter customer</i> not less than 20 <i>business days</i> and not more than 40 <i>business days</i> prior to the expiry of the <i>trial period</i> advising the <i>pre-payment meter customer</i> of the date of the expiry of the <i>trial period</i> and the options available to the <i>pre-payment meter customer</i> (including providing the information referred to in clauses 2.3 and 2.4 to the <i>pre-payment meter customer</i>).</p>	<p>Refer issue 2.4 – Western Australian Regulatory Framework</p> <p>(1) Synergy does not consider it is within scope of the Customer Service Code to specify the matters that must be included within a standard and non-standard contract.</p> <p>(2) Synergy does not support the trial period applying to all small use customers. Synergy supports a trial period applying to hardship customers, under hardship policy arrangements.</p> <p>(3) This obligation is ineffective as there is no obligation on the distributor (i.e. PPM owner) to revert the meter.</p> <p>The requirement for a retailer to fund this cost which is potentially significant in regional areas (due to travel etc) will likely have the effect of the retailer not offering to supply PPM customers. Also Synergy notes that it is the retailer and not the distributor (i.e. asset owner) who is financially exposed as a result of the requirement.</p> <p>(4) The requirement to monitor and notify customers of the future expiry of the trial period is excessive and unnecessary. It will result in additional cost and complexity. Monitoring and notification costs will ultimately be borne by PPM customers in the form of higher PPM tariffs with little apparent benefit.</p>

Proposed amendment	Comment
<p><u>9.6 Reversion to standard meter outside trial period</u></p> <p><u>(1) If a <i>pre-payment meter customer</i> notifies a <i>retailer</i> outside of the <i>trial period</i> that it wants to replace or switch the <i>pre-payment</i> to a standard <i>meter</i>, the <i>retailer</i> must within 5 <i>business days</i> -</u></p> <p><u>(a) remove or render non-operational the <i>pre-payment meter</i>.</u></p> <p><u>(b) replace or switch the <i>pre-payment</i> to a standard <i>meter</i>, and</u></p> <p><u>(c) provide the information referred to in clauses 2.3 and 2.4 to the <i>customer</i>.</u></p> <p><u>(2) A <i>pre-payment meter customer</i> who requests reversion of a <i>pre-payment meter</i> under subclause 9.6(1) must pay the <i>retailer's</i> reasonable charge for reversion to a standard <i>meter</i> (if any). For the avoidance of doubt, the <i>retailer's</i> obligations under subclause 9.6(1) are not conditional on the <i>customer</i> paying the <i>retailer's</i> reasonable charge.</u></p>	<p>Refer issue 2.4 – Western Australian Regulatory Framework and 2.5 – Distributor and Retailer Obligations</p> <p>(1) This provision is invalid. A retailer cannot comply with the requirement as a distributor owns, installs and operates a PPM.</p> <p>Furthermore, Synergy questions why the PPM reversion timeframe is less than the reconnection timeframes applicable to a distributor under the Customer Service Code. It should also be noted current PPM use occurs in remote areas. The proposed timeframe may not be sufficient in certain regional areas.</p> <p>(2) This provision fails to recognise that it is the distributor who will provide the service and charge (including travel) for doing so. The retailer will then seek to recover that cost from the PPM customer.</p>

Proposed amendment	Comment
<p>9.8 Requirements for pre-payment meters</p> <p><u>(1) A retailer must ensure that a pre-payment meter –</u></p> <p><u>(a) does not disconnect supply to the pre-payment meter customer other than between the hours of 10.00am and 3.00pm on a weekday;</u></p> <p><u>(b) is capable of informing the retailer of:</u></p> <p><u>(i) the number of instances where a pre-payment meter customer has self-disconnected; and</u></p> <p><u>(ii) the duration of each of those disconnections referred to in subclause 9.8(1)(b)(i).</u></p> <p><u>at least:</u></p> <p><u>(iii) if the pre-payment meter customer is in the metropolitan area, each minute; or</u></p> <p><u>(iv) if the pre-payment meter customer is not in the metropolitan area:</u></p> <p><u>A. where the location of the pre-payment meter lies within the defined coverage area of a terrestrial digital wireless service provider, each minute; or, in all other cases,</u></p> <p><u>B. every 6 months.</u></p> <p><u>(c) is capable of recommencing supply and supply is recommenced:</u></p> <p><u>(i) as soon as information is communicated to the pre-payment meter that a payment to the account has been made; and</u></p> <p><u>(ii) as soon as possible after payment to the account has been made; and</u></p> <p><u>(d) provides an emergency credit amount to the value of at least 10 dollars.</u></p>	<p>Refer issue 2.4 – Western Australian Regulatory Framework and 2.5 – Distributor and Retailer Obligations</p> <p>This provision is invalid. A retailer cannot comply with the requirement as a distributor owns, installs and operates a PPM. Matters relating to meter functionality should be dealt with under the Metering Code with the obligations residing upon a distributor.</p> <p>Synergy considers the disconnection time periods should align with the opening hours of the recharge facility specified in clause 9.6(b) of the Code.</p> <p>The ERA has not demonstrated whether the proposed technology will work in existing PPM communities, the cost of doing so and the flow on cost to the customer. Without assessing these matters, the proposed amendments could have the effect of existing PPM services being withdrawn in regional areas. Synergy does not support the provision and recommends that the metering data is collected by the distributor in accordance within existing meter reading cycles.</p>

Proposed amendment	Comment
<p>9.11 Meter testing</p> <p>(1) Where a <i>pre-payment customer</i> requests that the whole or part of the <i>pre-payment meter</i> be tested, the <i>retailer</i> must, taking into consideration the nature of the request and the cost of testing, make immediate arrangements to:</p> <p>(a) check the <i>pre-payment customer's</i> metering data;</p> <p>(b) check or conduct a test of the <i>pre-payment meter</i>, and/or</p> <p>(c) arrange for a check or test by the responsible person for the meter installation at the <i>pre-payment customer's</i> connection point.</p> <p>(2) A <i>pre-payment customer</i> who requests a check or test of the <i>pre-payment meter</i> under subclause 9.11(1) must pay the <i>retailer's</i> reasonable charge for checking or testing the <i>pre-payment meter</i> (if any).</p> <p>(3) If a <i>pre-payment meter</i> is found to be inaccurate or not operating correctly following a check or test undertaken in accordance with subclause 9.11(1), the <i>retailer</i> must:</p> <p>(a) immediately repair or replace the faulty <i>pre-payment meter</i>;</p> <p>(b) correct any overcharging or undercharging in accordance with clause 9.12; and</p> <p>(c) refund the <i>customer</i> any charges paid by the <i>customer</i> pursuant to this clause for the testing of the <i>pre-payment meter</i>.</p>	<p>Refer issue 2.4 – Western Australian Regulatory Framework and 2.5 – Distributor and Retailer Obligations</p> <p>(1) This provision is ineffective. There is no obligation on a distributor to perform the service. Matters relating to meter testing should be dealt with under the Metering Code with the obligations residing upon a distributor.</p> <p>(2) This provision fails to recognise it is the distributor who will provide the service and charge for doing so. The retailer will then seek to recover that cost from the PPM customer.</p> <p>(3) This provision is invalid. A retailer cannot comply with the requirement as a distributor owns, installs and operates a PPM. Matters relating to meter testing should be dealt with under the Metering Code. Furthermore, the subclause imposes a financial liability on a retailer for the actions of a distributor in the event the meter is faulty and the customer is overcharged. The regulatory framework should not impose this financial liability on a retailer without a distributor also being financially accountable to the retailer for its assets and actions.</p>

Proposed amendment	Comment
<p>9.13 Payment difficulties or financial hardship</p> <p>(1) Where a customer owes a debt to a retailer, the retailer must not adjust any charges under the pre-payment meter contract to recover the amount owing.</p> <p>(2) Notwithstanding its obligations under clause 6.10, a retailer must ensure that –</p> <p>(a) where a pre-payment meter customer informs the retailer in writing, by telephone or by electronic means, that the pre-payment meter customer is experiencing payment difficulties or financial hardship;</p> <p>or</p> <p>(b) the retailer identifies that a customer has self-disconnected three or more times in any three-month period for longer than 240 minutes on each occasion.</p> <p>the retailer must contact the customer as soon as is reasonably practicable to:</p> <p>(c) offer to make immediate arrangements:</p> <p>(i) for the removal or rendering non-operational of the pre-payment meter at no cost to the customer;</p> <p>(ii) to replace or switch the pre-payment to a standard meter at no charge;</p> <p>(iii) to provide the information referred to in clauses 2.3 and 2.4 to the customer;</p> <p>(iv) to provide:</p> <p>(A) information about and referral to relevant customer financial assistance programmes, and/or</p> <p>(B) referral to relevant consumer representative organisations; and/or</p> <p>(C) information on independent financial and other relevant counselling services.</p>	<p>Refer issue 2.1 – Customer Choice</p> <p>(1) This subclause is not limited to hardship customers, but applies to any small use customer including contestable small use customers. Synergy considers it appropriate for the provision to apply to hardship customers in isolation. In the event that the provision applies more widely, it is unlikely retailers will offer PPM to customer’s who have an historical debt.</p> <p>(2) Synergy rejects the proposal that retailers must self assess and contact a small use customer when the frequency and duration of disconnection exceeds the threshold specified in sub-paragraph (b) on the basis that:</p> <ul style="list-style-type: none"> ▪ It will result in additional cost and complexity to both retailer and distributor. Monitoring and notification costs will ultimately be borne by PPM customers in the form of a higher PPM costs and/or PPM tariffs with little apparent benefit. This requirement could actually have the unintended effect of increasing PPM hardship customer numbers. ▪ The provision assumes all disconnection events are due to hardship. This is not necessarily the case – for example in the case of a customer’s holiday home, a seasonal business or a customer who is away visiting relatives. ▪ Synergy is not aware if a PPM will be able to distinguish between disconnection due to an outage or disconnection due to lack of credit, nor if a PPM meter has the capability to record and report the proposed thresholds.

Proposed amendment	Comment
	<ul style="list-style-type: none"><li data-bbox="1391 193 2089 352">▪ It should be noted a retailer is reliant on a distributor (as PPM and PPM data owner) providing the required data in a timely manner. There are no obligations on a distributor in that regard.<li data-bbox="1391 387 2089 451">▪ The proposal removes accountability and responsibility from the customer to the retailer.<li data-bbox="1391 486 2089 643">▪ There are existing regulatory arrangements in place to assist hardship customers. Synergy is actively working with the state government and Horizon Power to extend HUGs to its PPM customers.

Proposed amendment	Comment
<p>13.7 Pre-payment meters</p> <p><u>(1)</u> A retailer must keep a record of –</p> <ul style="list-style-type: none"> (a) the total number of pre-payment meter customers; (b) the total number of complaints, other than those complaints specified in clause 13.13(a), relating to a pre-payment meter customer; (c) the action taken by the retailer to address a complaint; (d) the time taken for the appropriate procedures for dealing with the complaint to be concluded; <u>(e) percentage of complaints from pre-payment meter customers, other than those complaints specified in clause 13.13(a) concluded within 15 business days;</u> <u>(f) the total number of customers reverting to a standard meter in the trial period;</u> <u>(g) the total number of customers reverting to a standard meter in the three month period immediately following the expiry of a trial period;</u> <u>(h) the number of instances where a pre-payment meter customer has self-disconnected;</u> <u>(i) the duration of each of those disconnections referred to in subclause 13.7(1)(h);</u> <u>(j) the number of pre-payment meter customers who have informed the retailer in writing, by telephone or by electronic means that the pre-payment meter customer is experiencing payment difficulties or financial hardship; and</u> <u>(k) the number of pre-payment meter customers who the retailer identifies have self-disconnected three or more times in any three-month period for longer than 240 minutes on each occasion.</u> <p><u>(2)</u> In this clause –</p> <p><u>“self-disconnected” has the meaning referred to in clause 9.1.</u></p> <p><u>“trial period” has the meaning referred to in clause 9.1.</u></p>	<p>Refer issue 2.5 – Distributor and Retailer Obligations</p> <p>Synergy questions why a distributor is not obliged to record PPM complaints on such matters as installation, operation and maintenance.</p>

