



# INFORMATION

## Electricity Networks Corporation

### CONTRAVENTION OF TYPE 1 LICENCE OBLIGATIONS

The Economic Regulation Authority has received two separate notifications from Electricity Networks Corporation (**Western Power**) regarding contraventions of clauses 7.6 and 7.7(2) of the *Code of Conduct for the Supply of Electricity to Small Use Customers* (**Code**) that have occurred between 1 November 2009 and 30 April 2011. Clause 7.6 and 7.7(2) of the Code are both classified as Type 1 (considered the most serious and therefore are immediately reportable) licence obligations. Type 1 compliance obligations are classified as having a major impact on the basis that:

- the consequences of a contravention would cause major damage, loss or disruption to customers; or
- the consequences of a contravention would endanger or threaten to endanger the safety or health of a person.

#### Contravention of Clause 7.7(2) of the Code

Clause 7.7(2) of the Code requires an electricity distributor to maintain a register of life support equipment addresses. Western Power has reported contraventions of clause 7.7(2) of the Code in relation to 309 customer supply addresses that were not correctly registered.

#### Contravention of Clause 7.6 of the Code

Clause 7.6 of the Code prohibits an electricity distributor from disconnecting a customer's supply address outside of the times prescribed in clauses 7.6(d)–(f). Western Power has reported contraventions of clause 7.6 of the Code in relation to 197 customer disconnections.

#### Authority's response to the contraventions

The information provided by Western Power shows there has been a failure of the controls in place to ensure compliance with clauses 7.6 and 7.7(2) of the Code. This is evidenced by the number of individual occurrences of a contravention and that the contraventions have gone undetected for a significant period of time.

The contraventions of clause 7.7(2) of the Code presented a serious risk to the health and well being of the life support customers whose addresses had not been correctly registered in the life support database.

In respect of the contravention of clause 7.6 of the Code, the Authority considers the number of individual contraventions and the extended period of time over which the contraventions occurred demonstrate there have been significant deficiencies in the disconnection process. The process allowed non-complying disconnections to take place in the field and data entry of non-complying disconnections to be completed without detecting and escalating the non-compliance.

Western Power has provided the Authority with details of the actions that it has taken to rectify the contraventions of clauses 7.6 and 7.7(2) of the Code and prevent future

recurrence. The Authority is satisfied that these actions are an appropriate response to the underlying causes of the contraventions.

In relation to clause 7.7(2) of the Code, Western Power has stated that it will instigate six-monthly audits of the effectiveness of the life support registration procedures, commencing in September 2011. The Authority requires Western Power to provide it with a copy of the report on the September 2011 audit.

The Authority has written to Western Power regarding the contraventions of clauses 7.6 and 7.7(2) of the Code. A copy of the letter is available on the Authority's [website](#).

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22 June 2011