



Economic Regulation Authority

Promoting fair prices, quality services and choice

INFORMATION

Electricity Networks Corporation

CONTRAVENTION OF TYPE 1 LICENCE OBLIGATION

The Economic Regulation Authority has received a notification from Electricity Networks Corporation (**Western Power**) regarding a contravention of clause 7.6 of the *Code of Conduct for the Supply of Electricity to Small Use Customers* (**Code**). Clause 7.6 of the Code is classified as a Type 1 (considered the most serious and therefore are immediately reportable) licence obligation. 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.

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 a contravention of clause 7.6(d) of the Code in relation to the disconnection of a Smart Grid customer after 3pm on Monday 29 August 2011.

The information provided by Western Power shows there has been a failure of the controls in place to ensure compliance with clause 7.6 for its Smart Grid customers. This is evidenced by Western Power's statement that the disconnection took place without reference to the time of day and that the relevant business process documentation has been amended to include reference to the requirements under clause 7.6 of the Code.

Western Power has provided the Authority with details of the actions that it has taken to rectify the contraventions of clause 7.6 of the Code and to prevent future recurrence in respect of Smart Grid customers. The Authority is satisfied that these actions are an appropriate response to the underlying causes of the contravention.

The Authority has written to Western Power regarding the contravention. The letter states that the Authority expects Western Power to undertake a thorough review of all customer disconnection processes to ensure they comply with clause 7.6 of the Code.

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