

Our Reference: DMS #3304219
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6 November 2009

Mr Paul Kelly
Chairman
Electricity Code Consultative Committee
Level 6 Governor Stirling Tower
197 St. Georges Terrace
PERTH WA 6000

Dear Paul

**DECISION REGARDING ELECTRICITY CODE CONSULTATIVE COMMITTEE
FINAL REVIEW REPORT**

I refer to the Economic Regulation Authority's (ERA) decision, dated 25 September 2009, in response to the Electricity Code Consultative Committee's (ECCC) "*Electricity Code of Conduct for the Supply of Electricity to Small Use Customers 2008- Final Review Report*."

The Authority has considered the report and resolved to accept all recommendations with the exception of recommendation 50, which relates to service standard payments under Part 14 of the Code.

Synergy makes the following comments in response.

Street light service standard payments

The ECCC recommended that an additional clause be added to part 14, which would establish a \$20 per day service standard payment to be paid by a distributor where a street light reported faulty is not repaired within 5 days in the metropolitan area or 9 days in a regional area.

The ERA rejected the recommendation on the basis the enabling legislation did not contain a power by which a street light service standard payment could be paid to a residential customer.

Synergy understands the ERA has brought the absence of a legislative power to the attention of the state government as well as advising of the ECCC's position on the matter. Synergy supports the ERA's approach.

Mandatory wrongful disconnection service standard payments

The ERA proposes to amend clause 14.2 of the Customer Service Code to increase the daily service standard payment to \$100 and remove the cap on payment. In addition, the ERA also proposes to make such payment mandatory by a retailer. Synergy has no objection to this proposal.

The ERA has made the service standard determination on the basis:

- Wrongful disconnection is a very serious failure of the contractual and legal relationship between the retailer and/or distributor and the customer.
- The Authority has serious concerns regarding the potential health, safety and welfare considerations for customers wrongfully disconnected.
- The Authority agrees that there have been a sufficient number of complaints to the Energy Ombudsman regarding wrongful disconnection, to indicate that it does occur in Western Australia.
- The Authority is concerned the current reporting of wrongful disconnection is reliant on reporting of the number of service standard payments made for wrongful disconnection.
- The Authority finds all persons wrongfully disconnected should be entitled to the service standard payment without having to apply for the payment and has therefore proposed an amendment to the Code to ensure the payment is automatically made to customers wrongfully disconnected.

In response, Synergy makes the following comments:

- Wrongful disconnection is a serious event that has significant impacts on customers and is a matter which Synergy treats very seriously. We strive to prevent wrongful disconnection before they occur and respond quickly in the rare instances in which one does occur.
- We note that relatively few wrongful disconnections within the South West Interconnected System (**SWIS**) have occurred and there is no suggestion that wrongful disconnection is systemic within the SWIS. We also note that not every complaint to the Energy Ombudsman is determined to be a wrongful disconnection.
- Synergy does not support using service standard payments as a means of improving the reporting of wrongful disconnections. An extensive compliance and reporting regime already exists for that purpose.
- Wrongful disconnection of a customer can also occur due to an act or omission by a distributor. Therefore, it is important for a retailer to be able to recover service standard payments from a distributor, as provided by the amendment to clause 14.2(2).
- Synergy recognises the intent of the ERA's proposal is to limit the occurrence of wrongful disconnection. On that basis, we have no objections to the proposal.

Please do not hesitate to contact me should you require any clarification with respect to the above matters.

Yours sincerely

SIMON THACKRAY
MANAGER RETAIL REGULATORY AND COMPLIANCE