**2024 Review of the Code of Conduct for the Supply of Electricity to Small Use Customers 2022 (Code): Synergy response to Electricity Code Consultative Committee recommendations and questions**

## Context

The Electricity Code Consultative Committee (**ECCC**) is currently reviewing the standards of conduct applicable to electricity retailers, distributors and marketing agents who supply electricity to small use customers (residential and small business customers who consume < 160MWh/a across all sites) under the Code. The ECCC's draft review report contains 13 draft recommendations for change and 4 questions for feedback. Synergy's response to the ECCC's draft review report is detailed below.

## ECCC recommendations

| DRAFT ECCC RECOMMENDATION | SYNERGY RESPONSE |
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| **Draft recommendation 1**<br>Introduce a new provision that prohibits retailers from charging for a paper bill to customers receiving concessions, experiencing financial hardship and vulnerable customers | Supported subject to the caveat that the Code provision is not inconsistent with the *Energy Operators (Electricity Generation and Retail Corporation) (Charges) By-laws 2006.* |
| **Draft recommendation 2**<br>Introduce a new obligation to advise non-contestable customers annually, that the retailer has other tariff plans available. | Supported provided retailers are given flexibility under the Code as to how they notify their non-contestable customers annually of available tariff options. For example, the Code should not specify a particular notification method such as a bill message. |
| **Draft recommendation 3**<br>Require retailers to offer a bill credit for any charges paid, where the meter is tested and found defective. | Supported. |
| **Draft recommendation 4**<br>Amend clause 23(3) of the Code to allow an estimate to be based on the longest available data series, where an accumulation meter has been exchanged for an interval meter. | Supported. |

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| **Draft recommendation 5**<br>Allow a hardship customer with a payment plan to nominate up to three future bills to be incorporated in their payment plan. | Supported. Synergy also advocates that all small use customers be given the same right as a hardship customer to opt into having three future bills to be incorporated in their payment plan. The opt in ability means there is no customer detriment by extending the right to all small use customers. |
| **Draft recommendation 6**<br>Allow other medical professionals (such as pharmacists and nurses) in regional areas to provide confirmation of a person's ongoing LSE requirement, for the purpose of the three-yearly periodic review, under clause 85(1). | Supported subject to recommendation 7. |
| **Draft recommendation 7**<br>Amend clause 85(1) to allow triennial reconfirmation from a general practitioner that a person in the Perth metropolitan area continues to require LSE if:<br>a) An appropriately qualified medical practitioner has certified the LSE requirement for registration of the address<br>b) An authorised medical practitioner has confirmed the persons condition is enduring and that the person will have an enduring need for life support equipment to manage the condition<br>c) The GP confirms that they have sighted the specialist report certifying the enduring need for LSE | Supported. |
| **Draft recommendation 8**<br>Clarify that where multiple persons require LSE at one supply address, the licensee is only obligated to notify the customer or other nominated person under clause 84 | Supported. |
| **Draft recommendation 9**<br>1) Amend clause 92(1) of the Code to exempt a retailer from providing the nine- month disconnection protection | Supported. |

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| to a customer when the customer expressly declines the protection. The retailer must obtain the customer's verifiable and informed consent.<br>2) Amend clause 92(1) of the Code to require a retailer, to confirm a customer's vulnerable status with either the customer or authorised contact, once they 'become aware' that the customer is a vulnerable customer. | Qualified support. The provision should be amended to provide for a retailer to use "reasonable endeavours" to confirm a customer's vulnerable status with either the customer or their authorised contact once a retailer becomes aware, based on third party advice, that the customer is a vulnerable customer. Not all customers will respond positively to an approach by a retailer especially in relation to such a sensitive issue as family and domestic violence. From Synergy's experience some customers will not engage over the matter. |
| **Draft recommendation 10**<br>Increase the service standard payment amounts as set in clauses 94, 95 ,96, 97 and 98 by CPI since 2010. | Supported. |
| **Draft recommendation 11**<br>Remove acknowledgement times under subclause 88(a) from the Code.<br>Remove service standard payments where retailers and distributors fail to meet complaint acknowledgement times in clauses 96(1) and 98(1) of the Code.<br>Amend clause 87(2)(c) to include acknowledgement times | Supported. |
| **Draft recommendation 12**<br>Remove the requirement to proactively provide the information required by clause 66(2) to the customers who disconnect two or more times in any one month for longer than 120 minutes on each occasion. | Supported. |
| **Draft recommendation 13**<br>Update the Code for minor amendments as per Appendix 1 | Supported. |

**ECCC questions**

| QUESTION | | SYNERGY RESPONSE |
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| 1 | a) How has the current three-day notice period impacted your ability (or any LSE customers that you are aware of) to prepare for planned interruptions?<br>b) What concerns do you have with extending the notice period? | Synergy considers the current planned notification period under the Code that provides three days advance notice of a planned outage by Western Power, is reasonable and does not warrant Code changes. Synergy's rationale for this view is based on a recent Western Power survey of Synergy's life support equipment (**LSE**) customers in September 2024 to ascertain, amongst other matters, a LSE customer's preference for advanced notice of a Western Power planned outage. The majority of survey respondents (66%) preferred up to 48 hours notification of a planned outage. Providing a longer notification period could have the unintended consequence of the notification being overlooked or forgotten. |
| 2 | a) Could the benefits of the 'Knock to stay connected' initiative being trialled in other jurisdictions be replicated in Western Australia?<br>b) What the operational challenges and concerns do you have with this initiative? | Without a "knock to stay connected" trial being undertaken in Western Australia, it is unknown whether the relatively recent benefits reported in some eastern state jurisdictions could be replicated in Western Australia. Consequently, Synergy does not support a "knock to stay connected" being mandated under the Code without the empirical evidence and ramifications of such a trial being first considered, specifically costs and benefits.<br><br>With respect to operational ramifications of such an initiative being considered, Synergy observes:<br><br>• Synergy has historically undertaken door knocking, where Synergy field credit officers would visit a customer's premises prior to disconnection. From Synergy's experience at that time approximately 60% of the customers were unavailable or declined to answer the door.<br><br>• Should a knock before disconnection practice be re-introduced in the southwest interconnected system (**SWIS**), significant Synergy costs will be incurred to re-establish the capability. Synergy estimates the cost of such a visit could range between $70-$100 per visit depending on the location, noting the very large physical dispersion of customers within the SWIS. (As an example, a field officer travelling from Geraldton to Kalbarri would require two trips - 155 km one way taking 1 hr 50 minutes). Any costs incurred would need |

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| | | to be passed to customers.<br><br>• Given current disconnection levels Synergy estimates the annual cost of the requirement could be approximately $700,000 to $1,000,000 per annum. Costs could be reduced by limiting knock before disconnection to metropolitan areas but this then raises equity issues between customer protection of metropolitan and regional electricity customers.<br><br>• It is unclear what steps a retailer would need to take if a customer does not answer a door knock either because they choose not to do so or the customer is not home. Given the likelihood of this occurring Synergy expects it would be required to leave written material at the customer's premises outlining the customer ramifications of disconnection. Synergy notes this information provision practice already occurs prior to disconnection.<br><br>• It is not uncommon for Synergy to contact a customer up to 20 times, using a variety of contact points (mail, telephone, email and SMS) prior to a disconnection occurring. Specifically, Synergy performs a final outbound call to the customer prior to sending the de-energisation request to avoid disconnection, if it can.<br><br>• The Electricity Industry Metering Code 2012 requires Western Power to only install Type 1-4 meters at a connection point after 1 January 2022. More than 50% of residential electricity meters are now type 4 meters (remote interval capable meters) meaning meter readings, disconnection and reconnection can be undertaken remotely without the need for a person to visit a customer's premises. (Synergy expects Western Power's advanced meter roll-out to be largely concluded by mid-2027.) The cost of remote connection and disconnection is significantly less than the cost of sending a person to physically notify a customer of proposed disconnection for non-payment. For example, Western Power's current charge for a remote disconnection and reconnection is $6.28. The speed in which a remote reconnection can occur can be almost instantaneous from the time a reconnection request is received |

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| | | by the network operator. It will be concerning if new technology advantages and investments cannot be realised due to any requirement to physically visit a customer's premises prior to disconnection.<br><br>• From Synergy's collections experience, it will be a common occurrence from visiting a customer's premises that the customer will commit to paying the debt to the field credit officer at their premises but will then not follow through with their commitment to make payment.<br><br>• Synergy has concerns regarding the safety of personnel undertaking a knock before disconnection practice. This concern is based on Synergy's experience in using its own field credit officers. A physical visit by a retailer (or a distributor) will be perceived as debt collection activity and will not be well received by some customers.<br><br>• There is a lack of information on whether customers who initially avoid disconnection after a door knock are later disconnected, which could suggest the door knock might only be postponing the issue during which time customer debt to a retailer has increased. |
| 3 | a) Is there a need to amend the Code or can the benefits of a moratorium for disconnecting customers in a heatwave or extreme fire danger be better realised in other ways?<br>b) What are the operational challenges with including this proposal in the Code? | Synergy does not consider it is necessary to legislate disconnection moratoriums in a heat wave or extreme fire danger as the energy industry can manage the issue without the need for such legislation.<br><br>Synergy currently has disconnection moratoriums in place for Easter, Christmas and New Year. For disconnection moratoriums during major weather events like bushfires, storms etc, Synergy has voluntarily undertaken this in conjunction with Western Power in the past. Western Power has also previously suspended disconnections before and after storms to ensure they have all field staff available if power is interrupted. Synergy has also suspended disconnections more recently during the fires in the southwest (Waroona / Coolup) and Cyclone Saroja around Kalbarri. |

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| | | In the event an extreme event moratorium was legislated under the Code:<br><br>• The Code should specify the circumstances, notification mechanism and agency responsible for determining and communicating an extreme weather event, specifically event duration. The responsible agency should be independent from an electricity retailer and distributor and should be suitably qualified and resourced to make such determinations.<br>• Consideration would need to be given whether affected customers are individually notified of an extreme event disconnection moratorium or whether the event information should be made available, given the potentially short duration of the event.<br>• The obligation to apply the disconnection moratorium should sit with a distributor and not a retailer as a retailer does not undertake disconnection of network assets. Further, it would not be efficient to require all retailers to establish individual arrangements not to facilitate disconnection when this can be centrally managed by a single entity.<br>• A network operator would still require dispensation to undertake disconnection activity for health, safety, network integrity or security reasons during an extreme weather event. |
| 4 | a) Should the Code be amended to require retailers to pay interest on overcharges? If yes:<br><br>- What types of overcharges should be eligible for interest payments?<br><br>- What types of overcharges should be excluded?<br><br>- Should there be a minimum threshold amount of overpayment before interest is payable<br><br>What are the potential operational challenges or concerns with this issue? | Synergy does not support the proposal to require retailers to pay interest on overcharges to customers on the basis:<br><br>• There is no evidence of systemic over charging by electricity retailers within Western Australia.<br>• The cost of establishing systems to identify and pay interest on an overcharge would be excessive relative to the customer benefit applicable to small numbers of customers.<br>• There is an equity issue for Synergy as it is currently prohibited by law in charging interest on overdue electricity bills less than $1,000 per bill. Synergy's average residential bill debt ($633) is significantly less than this.<br>• In many instances an overcharge is not due to the actions of the retailer but the |

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| | | actions of the network operator or the customer. For example, in situations where there is a crossed meter or a customer denies access to the meter that requires an estimated bill and the estimate is higher than an actual meter reading when ultimately obtained. It is inequitable for a retailer to pay interest on an overcharge for which it was not directly responsible for.<br>• Not paying interest to customers on amounts overcharged is consistent with all other States and Territories of Australia. |