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Consumer Policy Inquiry
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

By email (consumer@pc.gov.au)

Topic: TRUenergy Response to Productivity Commission Issues Paper: Consumer Policy Framework

Thank you for the opportunity to provide comments on the Productivity Commission's Issues Paper on Consumer Policy Framework.

TRUenergy is Australia's 4th largest, and Victoria's 2nd largest, energy Retailer, employing over 1,100 people and servicing more than 1.1 million residential and business energy customers across the National Electricity Market. We have been involved with Full Retail Contestability (FRC) in the energy sector since the beginning and our comments on the Issues Paper are based on the experience we have accumulated over this period.

If you have any queries regarding our comments you can contact me (03) 8628 1156 or david.mcaloon@truenergy.com.au.

Yours sincerely

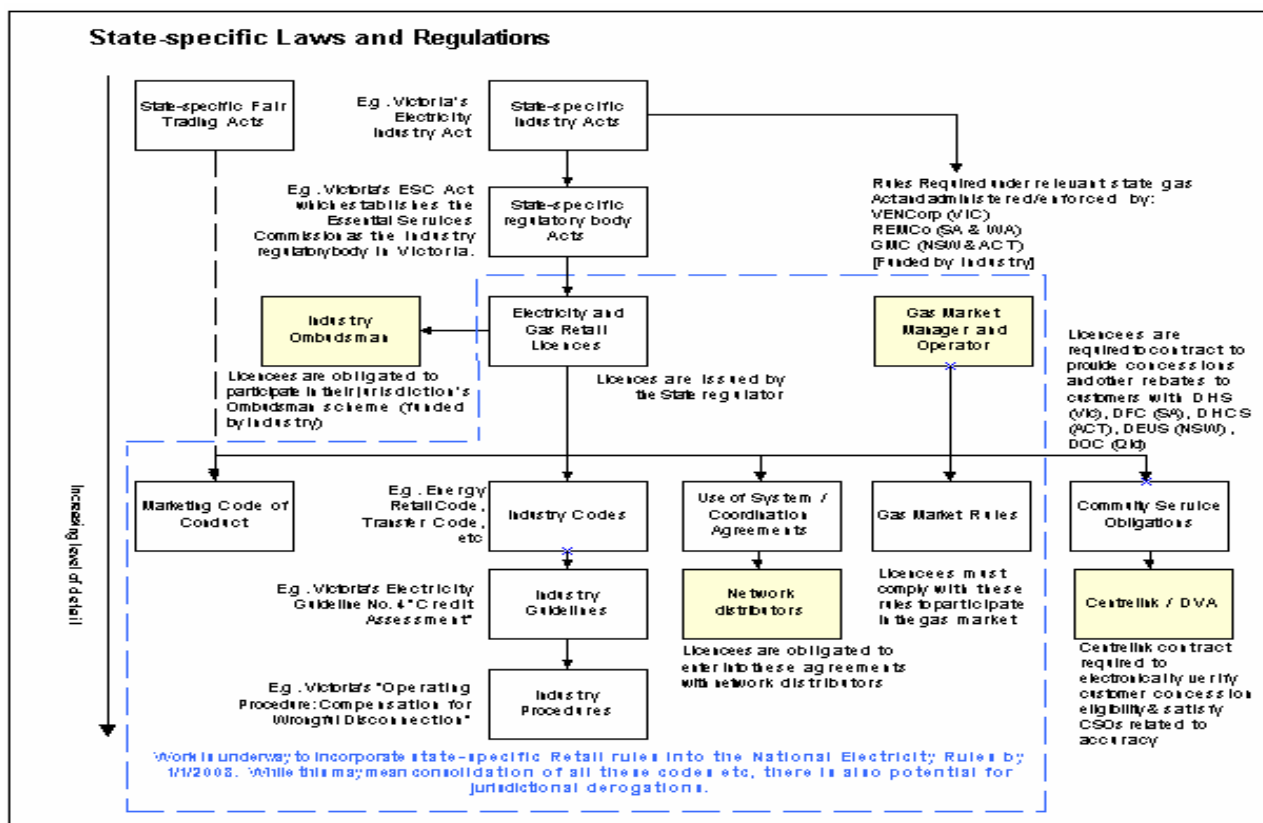
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1. Current Consumer Policy Framework in the Energy Retail Sector

Consumer policy framework in the energy retail sector is based on a combination of generic Federal and State laws (including the Trades Practices Act, Privacy Act and state based Fair Trading laws), energy specific State based legislation, licensing and industry specific Codes and Guidelines.

The industry specific laws, licensing, Codes and Guidelines address such areas as default supply contracts, credit management, sales and marketing, disconnection processes, information disclosure to customers on bills and general price (and other terms and conditions) disclosure obligations.

The diagram below shows the complexity of the consumer protection regime. The area surrounded by the blue dotted line is currently part of the Ministerial Council on Energy's work program to harmonise energy retail regulation.



The current complexity and differences in consumer protection requirements across the various jurisdictions and the level of detail in the industry specific requirements impose significant compliance costs on market participants. This in turn has diminished the consumer benefits (such as lower prices, greater product differentiation and innovation) that result from the introduction of retail contestability. In a highly competitive retail sector, where costs and operational efficiency are significantly impacted by regulation, it is imperative that the consumer protection regimes do not act as a 'road block' to effective and responsive competition.

2. Dealing with Vulnerable Customers in the Energy Sector

Are the needs of vulnerable and disadvantaged consumers best met through generic approaches that provide scope for discretion in application, or through more targeted mechanisms? Are there instances where a desire to protect vulnerable groups has imposed significant net costs on the wider community?

State Governments have generally relied upon price controls to alleviate the risk of vulnerable customers being disadvantaged in a competitive retail market. Retail price controls have often been referred to as 'Safety Net'. The regulated retail price is underpinned by a standard form contract with standard terms and conditions. Regulators have historically calculated using a building blocks cost model the cost to retailers from procuring energy, paying network access charges, delivering on the terms and conditions of the standard form contract and a small retail margin. These costs have then been used to set the regulated 'safety net' retail price.

It is borne out by economic theory as well as universal experience that competition is the best way to ensure prices are set at efficient levels in a market. The question as to whether energy could be any lower in price (that is, is the market effectively competitive?) is therefore very different to the question as to the capacity of all members of the community to pay for it.

Appropriate access to and the development of targeted assistance to those in the community experiencing payment difficulties provides a more appropriate 'safety net' to vulnerable customers than relying on general price controls.

This position was recently reinforced by the Australian Capital Territory (ACT) Independent Competition and Regulatory Commission (ICRC). In its 2006 energy retail competition effectiveness review, the ICRC concluded:

"...the TFT [transitional franchise tariff] has never intended to operate as a 'safety net' for vulnerable customers....However, the commission recognizes and supports the role of government initiatives designed to provide a 'safety net' for relevant customers. To this end, the Commission expresses its support for the continued targeted use of Community Service Obligation (CSO) payments, rebates and concessions, and the involvement of agencies such as the Essential Services Consumer Council (ESCC), Care Financial Counseling Service, ACT Council of Social Services and others, in assisting vulnerable customers."¹

The Energy Reform Implementation Group (ERIG) has also recommended that governments conduct a review of Community Service Obligation (CSO) mechanisms to improve their transparency and targeting. In responding to ERIG, COAG noted that the AEMC will, in 2007, commence reviewing the competitiveness of energy retail markets, with a view to the phasing out of price regulation where effective competition exists. COAG recognised that CSO arrangements will still be required in competitive markets without price

¹ Independent Competition and Regulatory Commission, Final Report, *Retail Prices for Non-Contestable Electricity Customers*, Report 8 of 2006, April 2006, page 2.

regulation, for social policy purposes. Hence, in response, COAG has asked the MCE to:

“undertake a national review of energy CSO mechanisms with a view to developing a consistent national framework which efficiently targets those in need, while recognising that responsibility for delivering any community service obligations remains a matter for individual jurisdictions.”²

In conclusion, the TRUenergy believes that the needs of low income consumers in the energy sector are best met through more targeted mechanisms as opposed to price capping. We support COAG’s position that the MCE should review the effectiveness of the current CSO arrangements and develop nationally consistent and well targeted CSOs to support the removal of retail price regulation as a means of providing a ‘safety net’ for vulnerable consumers.

3. Generic versus Industry specific measures

How effective are the generic provisions in the TPA and Fair Trading Acts in meeting their intended objectives? What principles should guide the choice between generic and industry-specific regulation?

We would certainly agree that there is a role for industry specific regulation in areas in which energy is unique and we believe that this relates to the supply of energy and more specifically to reconnections, disconnections and metering arrangements.

However, unlike the supply of energy, there is nothing inherently different in the sale process of energy to other products and services that warrant the application of energy-specific regulations. Marketing activities are appropriately governed by various Fair Trading Acts and other instruments at the Commonwealth and jurisdictional level.

Retailers incur additional systems costs, prescription and complexity through the inevitable re-interpretation and extension of generic laws. These additional costs do not outweigh any consumer benefits. Hence, the TRUenergy supports the removal of the industry specific Marketing Codes.

The overwhelming majority of residential customers in jurisdictions that have implemented FRC have already successfully done so. For example, just over 1.9 million customers have changed their electricity retailer in Victoria since January 2002³. In comparison, the Victorian Energy and Water Ombudsman (EWOV) has received around 2,400 cases⁴ relating to retailers marketing conduct⁵. This means that 0.12% of transfers result in an EWOV case that relates to sales and marketing. On average, energy retailers secure a sale for

² Extract from COAG National Reform Agenda Competition Reforms, Energy Reform Implementation Group – COAG Response, page 5.

³ NEMMCO, Victorian retail transfer statistical data,

http://www.nemmco.com.au/data/ret_transfer_datafiles/330-0602.pdf, page 23.

⁴ EWOV defines cases as customer enquiries and complaints. As a general ‘rule of thumb’, EWOV receives two customer enquiries for every one complaint.

⁵ Energy and Water Ombudsman of Victoria, Annual Reports, 2003, 2004, 2005 and 2006.

every seven customer contacts. This means that energy retailers have made some 13.5 million customer contacts in Victoria since the start of FRC and consumers raised 1.8 EWOV marketing conduct cases for every 10,000 customer contacts over this period.

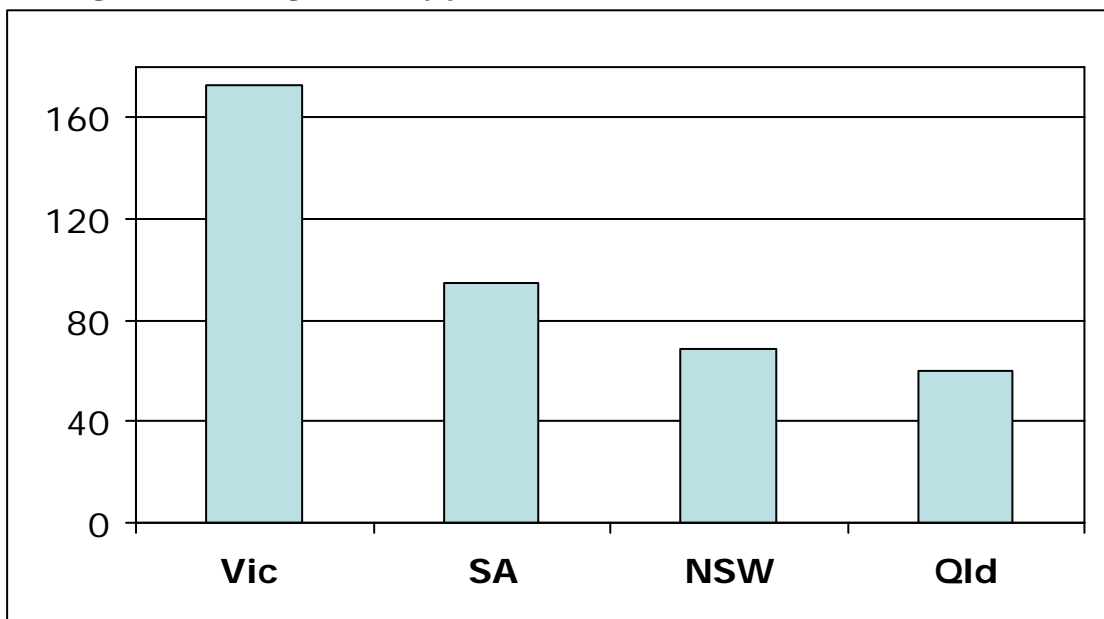
There also appears to be no justification for applying industry specific marketing rules to business customers. Energy is not an essential service for this class of consumer, but rather one of several business inputs for which the business must negotiate commercially in the same manner as they do with other business inputs.

4. Jurisdictional responsibilities

What are the main areas of duplication, overlap and inconsistency in consumer regulation across jurisdictions? How significant are the costs of this inconsistency, overlap and duplication relative to any benefits provided?

The diagram below shows the level of duplication, overlap and inconsistency in consumer policy framework in the energy sector across jurisdictions.

Pages of retail regulation by jurisdiction, 2007



The Victorian and New South Wales regulatory frameworks were developed in 2001, prior to the commencement of FRC and thus an understanding of how the competitive market would operate. The South Australian framework, developed in 2002, benefited from experiences in the other jurisdictions where competition had since begun, resulting in simpler and more efficient codes and guidelines. However, the level of competition was still limited, and the extent to which competition could replace regulation as the basis of consumer protection had yet to be fully demonstrated.

During 2006, some five years after the initial work conducted in Victoria and NSW, Queensland developed its regulatory framework for FRC. Over the

course of nine months this involved detailed working group consultation with community and retail representatives co-coordinated by independent consultants, with all parties contributing the knowledge of their experiences over the previous 4-5 years in the south-eastern markets. As a consequence the outcome represents the most current evaluation of the appropriate balance between consumer protection and minimising the regulatory burden.

The MCE is in the process of developing a national retail regulation framework. However, some State Governments have stated that they consider their consumer policy framework the most robust and will use derogations to maintain their framework.

Adopting the least onerous provisions should be seen as providing for regulatory efficiency, and not a diminution of consumer rights. The TRUenergy has developed a National Energy Retail Code as part of the MCE retail harmonisation program. We have attached the draft National Code for information. We consider that the draft national Code provides the appropriate balance between protecting the rights of consumers without over-burdening the retail businesses with unnecessary and redundant regulatory obligations.

ERIG also considered that a significant impediment to the introduction of a truly national energy regulatory framework is the existence of derogations from the national Rules and other state-specific legislative and regulatory differences. COAG noted that the MCE, as part of its current work program, has been considering the need for specific derogations in the context of transferring the economic and non-economic distribution and retail functions to the national framework, and that the AEMC will be reviewing all access derogations. To consolidate this process, COAG has requested the MCE to review all remaining derogations to ensure that, to the extent practicable and appropriate, derogations from the national framework, and other state-specific differences, are removed or harmonised.

Apart from nationally inconsistent consumer protection regimes, the Victorian regulatory regime has more than quadrupled in pages since the commencement of FRC in the State. The increase in the regulatory burden has increased retailers' compliance and administrative costs without any commensurate consumer benefits for Victorian customers relative to their interstate counterparts.

The following table provides an example of the excessive regulation in Victoria vis-à-vis other jurisdictions. The table shows that Victoria relies on four regulatory tools to regulate retailers' credit management practices compared to one regulatory tool in the other jurisdictions. The Victorian approach is far more prescriptive and leads to greater compliance costs for retailers without any significant commensurate consumer benefits.

For example, Victoria has slightly less disconnections per 100 customers compared to other jurisdictions⁶. However, industry estimates of the costs associated with complying with the Victorian credit management regime is around \$50m per annum.

⁶ In 2004-05 Victoria's rate of disconnection was 0.54 per 100 domestic electricity customers compared to 1.00 (NSW), 1.20 (SA), 1.75 (Qld) and 0.53 (Tas) per 100 domestic customers in the other jurisdictions.

Example - national comparison of regulated credit management obligations

Jurisdiction	Regulatory Instrument
Victoria	Electricity/Gas Industry Act Retail Code Credit Management Guideline Wrongful Disconnection Operating Procedure
New South Wales	Electricity/Gas Regulations
Queensland South Australia	Retail Code

4. Gate-keeping and Review Arrangements

How effective are the current regulation making and review processes in facilitating the development of best practice consumer regulation?

In our experience of FRC, some jurisdictional regulators have had a propensity to adopt new Code or Guideline provisions as a first, or even pre-emptive, response. Frequently this has resulted in decisions that are either too blunt, or are disproportionate to the issue. This has resulted in undue prescription, significant system development and implementation costs and unnecessary or avoidable compliance and performance reporting obligations and costs.

This has resulted as a consequence of jurisdictional regulators decisions not being subject to Regulatory Impact Assessments prior to their introduction and merits reviews. By way of comparison, network pricing reviews are subject to a higher standard of regulatory proof by Regulators. As a consequence, network pricing reviews contain hundreds of pages of detailed analysis underpinned with factual data and market outcomes. Often non-price retail decisions are underpinned by limited qualitative analysis to support the regulator's final decision. For example, the Essential Services Commission of Victoria (ESC) recently introduced Retail Code changes on Early Termination Fees. The ESC's Final Decision was 20 pages and did not contain any factual information and/or market data that the current Retail Code provisions were not adequate. The ESC based its decision on anecdotal qualitative information:

*"...allowing retailers complete flexibility over the form and value of ETFs can **potentially** (emphasis added) increase the complexity of market transactions to the point that consumers cannot effectively make an informed choice among competing products. This is exacerbated by a tendency on behalf of consumers to underestimate the value of future switching costs and therefore under-weight the cost of ETFs.*

To the extent that consumers are not being properly informed of the consequences of their present decisions, a regulatory regime

which involves less product choice but greater transparency and simplicity can improve the effectiveness of price signals and enhance competition. Added to this, a regulatory regime that does not present consumers with an unreasonable barrier to switching retailers is also likely to stimulate competition among retailers to attract customers by offering better pricing terms.”⁷

While the ESC considered the **potential** market outcomes there was no analysis in the Decision to determine whether greater price flexibility did actually restrict consumers’ opportunity to effectively participate. Further, there was no analysis to determine whether consumers did in fact ‘under-estimate the value of future switching costs’. However, based on limited qualitative analysis the ESC decided to amend the Retail Code provisions for charging early termination fees.

The implications of the Decision was to add further prescription and systems costs to retailers without clear demonstration of any commensurate consumer benefits. The hurdle for strengthening the consumer protection regime should be actual rather than a perceived market failure.

TRUenergy recommends that the jurisdictional regulators should be required to conduct a full Regulatory Impact Statement for any new Code and/or Guideline proposed and that all final decisions be subject to a merits review. The Federal Government’s recently commissioned independent review of regulation⁸ provides an excellent guide on the principles for conducting a RIS. Consistent with recommendation 7.1 of the review, we recommend that the following principles be adopted:

- Regulators should not act to address ‘problems’ until a case for action has been clearly confirmed
- A range of feasible options – including self-regulatory and co-regulatory approaches – must be identified and their benefits and costs, including compliance costs assessed within an appropriate framework
- If any action is required, then only the option that generates the greatest net benefit taking into account all impacts published in a Regulatory Impact Statement (RIS), should be adopted
- Review mechanisms are needed to ensure that regulation remains relevant and effective over time
- There must be effective and meaningful consultation with regulated parties at all stages
- Merits Review of non-price economic decisions should be allowed

⁷ Essential Services Commission, *FINAL DECISION, EARLY TERMINATION FEES COMPLIANCE REVIEW*, December 2006, page 4.

⁸ Reducing the Regulatory Burden: The Way Forward, <http://www.regulationtaskforce.gov.au/index.html>



**Energy Retailers
Association of
Australia**

National Retail Code

NATIONAL ENERGY RETAIL CODE

PREAMBLE

The purpose of the National Energy Retail Code (NERC) is to replace the current range of jurisdictional retail, marketing, and customer consent codes, regulations and guidelines with a single national code. Transfer and metering obligations will be dealt with through separate instruments.

Generally, those provisions in existing regulatory instruments adequately provided for in generic consumer protection law have not been included in the NERC. However, in some instances, to provide for a nationally consistent approach, such provisions have been included. For example, each jurisdictional Fair Trading Act contains cooling off provisions, but these are formulated differently. It is therefore sensible for the NERC to establish a consistent provision.

APPLICATION

This National Energy Retail Code will only apply to an energy contract between a retailer and an energy customer where the customer is:

- (a) a domestic customer;
- (b) the aggregate of the annual energy consumption level for the customer equals or is less than:
 - in the case of a proposed electricity contract, 20MWh of electricity per annum; or
 - in the case of a proposed gas contract, 150GJ of gas per annum; or
 - in the case of a proposed dual fuel contract, 20MWh of electricity per annum or 150 GJ of gas per annum.

PART 1 ENTRY INTO A CONTRACT

1. COOLING-OFF

A retailer must ensure that each market contract it enters into with a small customer confers on the small customer the right to rescind that market contract within the period of 10 business days commencing on, and including, the date on which the customer receives the written confirmation of information about the terms of the contract as outlined in Clause 4.

2. CONSENT

2.1 Customer Transfer

A retailer must not initiate the transfer of a customer without obtaining the explicit informed consent of that customer.

2.2 Explicit Informed Consent

Explicit informed consent is the consent provided by a customer where:

- (a) the customer provides express conscious agreement; and
- (b) the relevant retailer has fully and adequately disclosed all matters relevant to that customer.

2.3 No transfer prior to expiry of cooling off period

A retailer cannot complete a transfer of a customer until the cooling off period (as defined in Clause 1) has expired.

2.4 Records

A retailer must retain records of any explicit informed consent for at least 2 years.

3 MARKETING

3.1 Identification

As soon as practicable following the commencement of any marketing contact with a customer, a retailer must advise the small customer of the purpose of the marketing contact and use its best endeavours to provide a small customer with the following information prior to completion of the marketing contact:

- (a) the name of the salesperson; and
- (b) contact details for the retailer.

3.2 Marketing in Person

A salesperson who makes a marketing contact by visiting a small customer must wear an identification card on his or her chest containing:

- (a) the name of the salesperson;
- (b) a photograph of the salesperson;
- (c) the name of the retailer; and
- (d) the retailer's telephone number.

4 CONTRACT INFORMATION

4.1 Pre-contract disclosure

A retailer must provide the following information to a consumer before entering into a contract:

- (a) the prices, charges and tariffs that will be applicable in respect of the energy contract,
- (b) the term of the contract, and
- (c) the cooling-off period.

4.2 Provision of written confirmation of Contract Information

A retailer must provide the customer with written confirmation of the matters outlined in section 4.1 as soon as practicable after the customer has entered into the contract.

5 METER READING FOR BILLING PURPOSES

Subject to clause 6, a retail entity must base a customer's bill on:

- (a) an actual reading of the relevant meters at the customer's premises provided by the distribution entity or responsible person determined in accordance with the energy legislation; or
- (b) metering data provided for the relevant meters at the customer's premises provided by the distribution entity or responsible person determined in accordance with the energy legislation

6 ESTIMATED BILLS

The retail entity may provide the customer with an estimated bill:

- (a) based on an estimation of the usage of energy by that customer provided by the distribution entity or responsible person determined in accordance with the energy legislation; or
- (b) otherwise in accordance with the energy legislation, based on:
 - (i) the customer's reading; or
 - (ii) the customer's prior energy usage history at that premises; or
 - (iii) where the customer does not have a prior energy usage history at that premises, the average usage of energy by a comparable customer over the corresponding period.

7 ADVICE THAT A BILL IS AN ESTIMATED BILL

When a retail entity issues a customer with an estimated bill it must publish a notice on that bill advising that the bill is based on an estimated reading of the meter.

8 CHARGES WHERE ACCESS IS DENIED

Where a residential customer has denied access to a meter for the purpose of reading that meter and subsequently requests the retail entity to replace an estimated bill with a bill based on a reading of the meter, the retail entity must comply with that request but may charge that customer any costs it incurs in doing so.

9 LATE PAYMENT FEES

If a customer has breached the customer's obligation to pay an amount due on or before the pay by date on a retailer's initial bill, the retailer may impose a late payment fee.

PART 3 PAYMENT DIFFICULTIES

10 Customer obligation to inform retailer of payment difficulties

Where a customer is experiencing payment difficulties such that the customer is not able to pay the retailer's bill by the due date, the customer is obliged to contact the retailer and inform the retailer of this fact.

11 Obligation to offer instalment plan

Where a customer informs the retail entity that the customer is experiencing payment difficulties, the retail entity must offer the residential customer, as soon as is reasonably practicable, an instalment plan which complies with clause 12.

12 Obligations on retail entities when offering instalment plans

A retail entity offering an instalment plan must:

- (a) in determining the period of the plan and calculating the amount of the instalments ensure that the plan provides for the payment of arrears and ongoing consumption over the specified period of time, which should not exceed 12 months; and
- (b) in determining the period of the plan take into account information from the residential customer about the residential customer's usage needs and capacity to pay.

Part 4 SHORTENED COLLECTION PERIOD

13 Shortened collection period

Where a retail entity has issued a customer:

- (a) reminder notices in respect of three consecutive bills; or
- (b) two consecutive disconnection warnings,

the retail entity may place the customer on a shortened collection period in relation to the relevant customer sale contract.

14 Retail entities' obligations prior to placing a customer on a shortened collection period

Before a retail entity may place a customer on a shortened collection period, the retail entity must inform the customer that:

- (a) receipt of a third reminder notice (or second disconnection warning) may result in the customer being placed on a shortened collection period;
- (b) being placed on a shortened collection period will result in the customer not receiving a reminder notice until the customer has paid three consecutive bills by the pay by date; and
- (c) in the case of a residential customer only, alternative payment arrangements, such as instalment plans offered by the retail entity, are available.

15 Notice

- (a) Where after giving notice as required in clause 14 a retail entity decides to shorten the collection period in respect of a customer, the retail entity must give the customer written notice of that decision, and the steps that the customer must take to be taken off the shortened collection cycle.
- (b) Any notice given under paragraph (a) must advise the customer of the existence of the retail entity's dispute resolution processes.

16 Effect of customer compliance with shortened collection period

Where a customer on a shortened collection period pays three consecutive bills by the pay by date, the retail entity must return the customer to the collection period that applied before the shortened collection period commenced.

PART 5 DISCONNECTION OF A CUSTOMER

17 DISCONNECTION FOR NON-PAYMENT OF A BILL

17.1 Disconnection for non-payment of a bill

Subject to clause 17.2 and 17.3 a retail entity may arrange to disconnect a customer's premises in accordance with this clause if a customer has not:

- (a) paid a bill; or
- (b) agreed to an offer (made in accordance with clause 12) of an instalment plan or other payment option to pay a bill; or
- (c) adhered to the customer's obligations to make payments in accordance with an agreed instalment plan or other payment option relating to the payment of bills.

17.2 Collection cycle

- (a) If a customer is not on a shortened collection period under clause 13, a retailer must not disconnect the customer for non-payment of a bill unless the retailer has sent the customer;
 - an overdue notice; and
 - after the expiry of the period referred to in the overdue notice, given the customer a written disconnection warning that the retail entity may disconnect the customer on a date no earlier than 7 business days from the date of dispatch of the disconnection warning;
- (b) If a customer is on a shortened collection period under clause 13, a retailer must not disconnect the customer for non-payment of a bill unless the retailer has sent the customer a written disconnection warning that the retail entity may disconnect the customer on a date no earlier than 7 business days from the date of dispatch of the disconnection warning.

17.3 Limitation on disconnection of customers with payment difficulties

Where the customer has contacted the retailer in accordance with clause 10 and advised the retailer that because of a lack of sufficient income on the part of the customer, the customer is unable to pay a bill, the retail entity must not request the

disconnection of the residential customer's premises except in accordance with clauses 17.4 and 17.5.

17.4 Obligations prior to disconnection of customers

Where 17.3 applies, the retail entity must have:

- (a) used its best endeavours to contact the residential customer
- (b) given the residential customer information on government funded concessions;
- (c) offered the residential customer alternative payment options of the kind referred to in clause 12;
- (d) advised the residential customer of the existence and operation of the external dispute resolution scheme.

17.5 Circumstances when a residential customer may be disconnected

Provided the retail entity has complied with clause 17.4, the retail entity may disconnect the residential customer immediately if the residential customer:

- (a) has refused or failed to accept the offer before the expiry of the 7 business days period in the disconnection warning; or
- (b) has accepted the offer, but has refused or failed to take any reasonable action towards settling the debt before the expiry of the 7 business days period in the disconnection warning.

17.6 No obligation to offer instalment plan

A retail entity is not obliged to offer an instalment payment plan as provided in clause 11 where the customer has in the previous twelve months had an instalment plan cancelled due to non payment.

18 DISCONNECTION FOR REFUSAL TO PROVIDE ACCEPTABLE IDENTIFICATION OR REFUNDABLE ADVANCE

A retailer may disconnect a customer if the customer refuses when required to provide acceptable identification (if the customer is a new customer of the retailer) or a refundable advance but only if:

- a) the retailer has given the customer a disconnection warning including a statement that the retailer may disconnect the customer on a day no sooner than 10 business days after the date of receipt of the notice; and
- b) the customer has continued not to provide the acceptable identification or the refundable advance.

19 DISCONNECTION FOR DENYING ACCESS TO A METER

- a) Where a customer fails to allow, for 6 months (or such longer period as the retail entity nominates), access to the customer's premises to read a meter, the retail entity may arrange for the disconnection of the customer's premises.

- b) A retail entity must not exercise its disconnection right under paragraph (a) unless the retail entity has:
- i. given the customer an opportunity to offer reasonable alternative access arrangements;
 - ii. on each of the occasions access was denied, given the customer written notice requesting access to the meter or meters at the premises and advising of the retail entity's ability to arrange for disconnection under this clause;
 - iii. used its best endeavours to contact the customer personally; and
 - iv. given the customer a written disconnection warning with 7 business days notice of its intention to arrange for the disconnection.

20 ILLEGAL USE

Notwithstanding any of the provisions in this Code, except for clause 21, a retail entity may arrange for the disconnection of a customer's premises immediately where the energy supply has been used otherwise than in accordance with the energy legislation.

21 WHEN A RETAIL ENTITY MUST NOT DISCONNECT

A retail entity must not arrange for the disconnection of a customer's premises:

- (b) where the customer or a person residing at the customer's premises has advised the retail entity that a person ordinarily residing at the premises is dependent on designated life support equipment in accordance with the provisions of clause 24;
- (b) where a customer has made a complaint, directly related to the reason for the proposed disconnection, to the external dispute resolution scheme or another external dispute resolution body and the complaint remains unresolved;
- (b) where the customer has formally applied for assistance from a government agency responsible for the administration of energy concessions, rebates, or grants, and a decision on the application has not been made;
- (b) after 3.00pm on a business day; or
- (b) on a Friday, on a weekend, on a public holiday or on the day before a public holiday, unless agreed to otherwise between the customer and the retailer.

PART 6 RECONNECTION AFTER DISCONNECTION

22 RETAIL ENTITY AND CUSTOMER OBLIGATIONS

Where a retail entity has arranged for the disconnection of a customer's premises:

- (a) Under clause 17 for non-payment of a bill and the customer has within 10 business days of the date on which the disconnection occurred paid or agreed to accept an offer (made in accordance with clause 12) of an instalment plan and made an instalment payment in accordance with the installment plan, or other payment option; or
- (b) under clause 19 because access to the meter was denied and the customer has within 10 business days of the date on which the disconnection occurred provided access to the meter; or
- (c) under clause 20 for a customer using energy in breach of the energy legislation, and the customer has within 10 business days of the date on which the disconnection occurred remedied that breach by a person authorised to do so under energy law, and has paid, or made an arrangement to pay, for the energy so obtained;

the retail entity must arrange for the reconnection of the customer's premises in accordance with this clause, subject to:

- (d) clause 23 of this Code;
- (e) the customer making a request for reconnection; and
- (f) the customer first paying the prescribed fee under the Energy legislation for reconnection.

23 TIME FOR RECONNECTION

Where under clause 22 a retail entity is obliged to arrange for the reconnection of a customer's premises, then it must contact the relevant distributor and request reconnection:

- if the request is made by the relevant time on a business day, then on the same day or as otherwise agreed with the customer;
- if the request is made after the relevant time on a business day, then by the next business day or as otherwise agreed with the customer;
- if the request is made on a non- business day, then on the next business day or as otherwise agreed with the customer.

PART 7 SPECIAL NEEDS

24 LIFE SUPPORT EQUIPMENT

24.1 Life support equipment

Where a customer provides a retail entity with confirmation from a registered medical practitioner or a hospital that a person residing at the customer's premises requires life support equipment, the retail entity must:

- (a) register the premises as a life support equipment address and give to the distribution entity relevant information about the premises for the purposes of updating the distribution entity's records and registers;
- (b) not arrange for the disconnection of that premises while the person continues to reside at that address and requires the use of life support equipment; and
- (c) give the customer an emergency telephone contact number for the customer's distribution entity.

24.2 Cessation of requirement for life support equipment

A customer whose premises has been registered under this clause must inform the retail entity if the person for whom the life support equipment is required vacates the premises or no longer requires the life support equipment.

24.3 LANGUAGE AND LARGE PRINT NEEDS

A retail entity must:

- (a) provide access to multi-lingual services (for languages common to the relevant residential customer base) to meet the reasonable needs of its residential customers; and

- (b) provide, on request by a residential customer, large print versions of this Code, at a reasonable charge.

PART 8 GENERAL

25 ILLEGAL USE

25.1 Retail entities' right of recovery for illegal use

If a retail entity has undercharged or not charged a customer as a result of the customer's fraud or intentional consumption of electricity otherwise than in accordance with the electricity legislation, the retail entity may estimate the consumption for which the customer has not paid and bill or take debt recovery action for all of that unpaid amount.

25.2 Non-application of payment difficulties

Clause 11 does not apply if, during the course of the customer's dealings with the retail entity, the customer is convicted of an offence involving fraud or theft of electricity.

26 EXPIRY OF A FIXED-TERM CONTRACT

If the energy contract between a customer and a retail entity is a fixed term contract prior to the expiry of the fixed term, the retailer must notify the customer of the following information:

- that the energy contract is due to expire;
- when the expiry will occur;
- of the tariff and terms and conditions that will apply to the customer beyond the expiry of the fixed term if the customer does not exercise any other option (which the retailer may determine at its discretion)

The information must be given no later than 28 days before the expiration of the fixed term

27 COMPLAINT HANDLING

A retailer must handle a complaint by a customer in accordance with the relevant Australian Standard on Complaints Handling or the 'Benchmark for Industry Based Customer Dispute Resolution Schemes' published by the Department of Industry, Tourism and Resources (Cth).

PART 9 DEFINITIONS

(to be decided)

Section	Explanation for Deletion/Amendment
Application	In a competitive market, customers consuming more than 20MWh and/or 150GJ will have considerable bargaining power, and should not be included in the scope of an Energy Retail Code.
Customer Charter	There is no need to impose this requirement, as the provision of customer charters would be driven by consumer demand. In the event customers are looking for information in a certain format, in a competitive market energy companies will move to provide this information.
Applications & Connections	Retailers should be free to determine what information they require from customers prior to opening an account with the customer.
Billing	<p><u>Billing cycles</u></p> <p>While there are potential benefits associated with shortening the billing period, retailers will be effectively constrained by the significant costs associated with issuing additional bills. Further, retailers require flexibility around billing periods to negotiate meter reading cycles with meter providers, and to cater for changing customer needs.</p> <p><u>Content of a bill</u></p> <p>There is no need for regulation in respect of the content of a bill, except in so far as necessary to compel the provision of the customer's MIRN/ NMI/ DPI ID on bills. Retailers are constrained from removing any information important to a consumer by the administrative costs that would be incurred from responding to customer complaints or queries in respect of their bills. Customers expect to see a basic level of information about the services they are being charged for, and it is in a retailer's interests to minimise customer queries and dissatisfaction by ensuring the information is as comprehensive and comprehensible as possible</p>
Undercharging & Overcharging	<p>Retailers should be subject to the same statutory limitations as other suppliers of goods and services in Australia .</p> <p>However, in the event that regulation is deemed to be necessary, then regulation should be premised on the following objectives:</p>

	<ul style="list-style-type: none"> • establishing a fair and certain time period in which retailers should endeavour to bill customers for goods and services provided during that period; • establishing a customer's right to be reimbursed for any amount of an overcharge (excluding interest). There does not need to be any regulation in respect of the means by which a retailer reimburses the customer – it is enough that the retailer is under an obligation to make the reimbursement, and retailers and customers are then able to agree on the means of reimbursement.
Truncated collection cycle or late payment fees	<p>As many as half of all customers fail to pay their bill by the due date. Retailers incur significant costs when customers pay their bills late – namely the cash flow costs incurred on late payment, and the cost of sending out reminder letters.</p> <p>The ERAA believes there are two ways in which this issue can be addressed:</p> <ul style="list-style-type: none"> • to put all payments on a 'shortened collection cycle', whereby customers do not receive a reminder notice, but only receive a disconnection warning after the late payment of a bill. Customers who need additional time to pay for reasons of financial difficulty would need to call their retailers and make those arrangements; or • allow retailers to levy late fees, with a mandatory exception for customers experiencing financial difficulty.
Payment Methods	Payment methods can be varied already under certain jurisdictional codes. Retailers have a clear interest in getting paid, and are going to provide customers with the most convenient options for paying bills according to demand.
Review of a Bill	This area would be adequately covered by the dispute resolution procedures.
Security Deposits	It is not necessary to regulate the provision of security deposits in a competitive market.
Force Majure	Covered in contract.