



A guide to understanding
Code of Conduct
for the Supply of Electricity to Small Use Customers

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Office of Energy
Government of **Western Australia**

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The contents of this document will be made available on the Economic Regulation Authority's website (www.era.wa.gov.au) and may be made available in alternative formats to meet the needs of people with disabilities.

Version history

AMENDMENT NO.	AMENDMENT DATE	PARAGRAPH AMENDED
1	11 April 2005	<ul style="list-style-type: none"> • “Version History” inserted • Part 2, last paragraph under heading “marketers” inserted
2	31 May 2006	<ul style="list-style-type: none"> • References to “Western Power” replaced with “Synergy”, “Horizon Power” and “Western Power” as appropriate. • Background, paragraph B, “<i>Choosing a contract</i>”: the word “proposed” before “Electricity Industry (Customer Contracts) Regulations 2005” deleted. • Background, reference to “Electricity (Supply Standards and System Safety) Regulations 2001” replaced with “Electricity Industry (Network Quality and Reliability of Supply) Code 2005”. • Part 1, reference to parts of the Code commencing at a later date deleted. • Part 3, reference to the “Electricity Industry Act 2004” replaced with “Electricity Industry (Customer Contracts) Regulations 2005”. • Part 3, “Outstanding debt”, 1st paragraph: wording amended to reflect new regime under <i>Electricity Industry (Customer Contracts) Regulations 2005</i>. • Part 7, “When a customer may be disconnected”: wording amended to reflect that Synergy and Horizon Power can no longer rely on the <i>Energy Operators Powers Act 1979</i> to disconnect a customer for failure to pay a bill. • Part 14, last paragraph: reference to Electricity Ombudsman amended to reflect that Energy Ombudsman is now in place.

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Introduction

The *Code of Conduct for the Supply of Electricity to Small Use Customers* (the Code) was developed by Government to regulate and control the conduct of retailers, distributors and electricity marketing agents in the supply and marketing of electricity to small use customers.

Because the Code is a legal document, it is drafted in a detailed manner. To increase interested parties' understanding of the Code, this guide was developed by the Office of Energy to help explain the basics of the Code. In addition, explanatory notes have been provided throughout the Code itself to assist the reader's understanding of certain parts and provisions.

Background

A. Understanding the electricity industry

Electricity is produced by generators. Generators sell their electricity to retailers who in turn sell the electricity to end use customers, such as households.

To transport the electricity to their end use customers, retailers must enter into contractual agreements with a distributor. A distributor owns the electricity network (i.e. the “poles and wires” over which electricity is transported to homes and businesses) and is responsible for the transportation of electricity over its network.

As it is generally not economically viable to have several distribution networks in the same area, there is usually only one distributor in a certain area. However, an area can have more than one retailer. This is possible because more than one retailer may ask the distributor to transport electricity to its customers on its behalf.

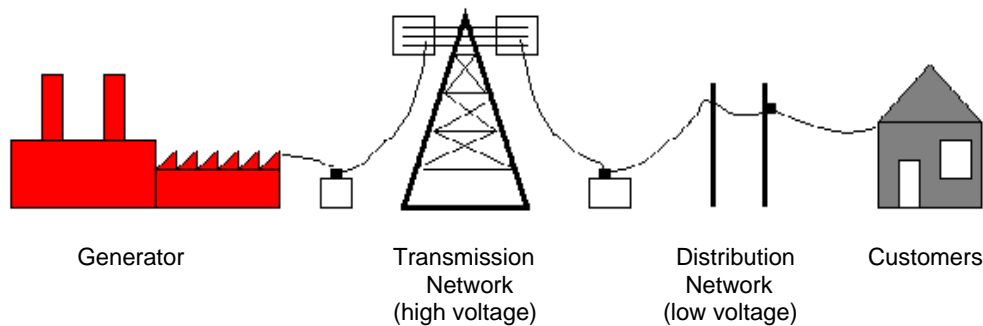


Figure 1: Transportation of electricity

To reflect the fact that different organisations fulfil different functions in the electricity market, the Code distinguishes between marketers, retailers and distributors and places obligations on them as appropriate.

B. Contractual arrangements

A person who wishes to buy electricity must enter into a contractual agreement with a retailer.

Choosing a retailer

If the person consumes more than 50 MWh of electricity per year, the person may be able to choose a retailer (“*contestable customer*”).

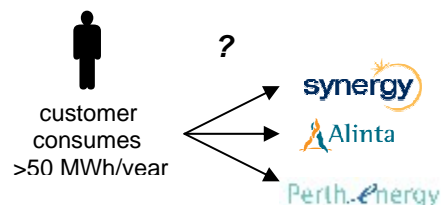


Figure 2: Contestable customers

If the person does not consume more than 50 MWh of electricity per year, the person will continue to be supplied by their current retailer (“*non-contestable customer*”). In most cases, this will be Synergy or Horizon Power.

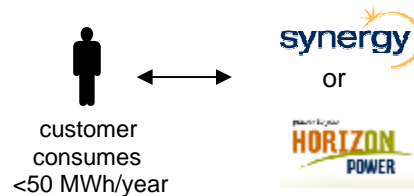


Figure 3: Non-contestable customers

Contractual relationships

Unlike some other States where customers must enter into a contract with both the distributor and the retailer, WA customers only have to enter into a contract with their retailer. Their retailer will then enter into a contract with the distributor on their behalf to –

- (a) secure the connection of their premises to the network; and
- (b) facilitate the transportation of electricity to their premises.

Choosing a contract

A person may choose to –

- (a) negotiate the terms and conditions of the contract with the retailer (*non-standard contract*); or
- (b) be supplied under the retailer’s standard contract as approved by Government or an independent regulator (*standard form contract*).

Although a non-standard contract has not been approved by Government or an independent regulator, its terms and conditions must still comply with this Code¹ and the *Electricity Industry (Customer Contracts) Regulations 2005*.²

Both contestable and non-contestable customers may opt to negotiate a non-standard contract.

C. Regulating the electricity industry

Given the importance of electricity in our society today, the Government has considered it essential to regulate the electricity industry to some degree. The Government therefore enacted the *Electricity Industry Act 2004* (the Act) which regulates how electricity companies must deal with each other and their customers.

With regard to customers, the Act provides for a number of specific customer protection mechanisms for small use customers (i.e. customers who consume no more than 160 MWh of electricity per year). These specific protection mechanisms were enacted to protect customers who generally have little or no market power.

The most significant (small use customer) protection mechanism provided for under the Act is the Code.

¹ Clause 1.10 of the Code allows a retailer and a customer to vary a number of specified provisions of the Code in a non-standard contract.

² This only applies to contracts for the supply of electricity to small use customers.

D. Who is protected by this Code?

The Code applies to *all* customers who consume not more than 160 MWh of electricity per year. This equates to an annual electricity bill of approximately \$28,000.

This means that the Code applies to both –

- o Metropolitan and regional customers;

A metropolitan customer is a customer whose supply address is located within the metropolitan area (“metropolitan area” is defined in clause 1.5(1) of the Code and includes a number of major regional centres).

Regional customers are customers who are located within any area other than the metropolitan area.

Although the Code applies to both metropolitan and regional customers, the service standards that apply to these two groups of customers may differ. This differentiation recognises logistical differences in the supply of electricity to regional and metropolitan areas. (For example, Part 8 provides that a distributor must reconnect a metropolitan customer within one business day and a regional customer within five business days.)

- o Residential and business customers; and

A residential customer is a customer who uses electricity solely for domestic use at the customer’s principal place of residence.

A business customer is a customer who uses electricity for commercial purposes. To avoid doubt, customers who use part of their electricity for commercial purposes at their residential premise are considered business customers.

Not all provisions in the Code apply to both residential and business customers. For example, Part 6 (which deals with customers experiencing payment difficulties or financial hardship) applies primarily to residential customers.

- o Contestable and non-contestable customers.

For the purposes of the Code, a contestable customer is a customer who uses between 50 and 160 MWh of electricity per year (approximately A\$8,000-28,000). From 1 January 2005, these customers may choose to buy their electricity from a retailer other than Synergy or Horizon Power.

A non-contestable customer is a customer who uses less than 50MWh of electricity per year (i.e. less than approximately A\$8,000). The status quo, in terms of retailer, will remain for non-contestable customers as of 1 January 2005.

A customer’s contestability is determined by taking into account the customer’s consumption for each exit point. A customer who has 3 different supply addresses and consumes 40 MWh of electricity per year at each supply address is not a contestable customer, because the threshold is not reached for each separate supply address.

Examples of consumption levels:

	Metropolitan area	Regional area	Pilbara
Average residential customer	5.1 MWh/year	8.7 MWh/year	11.6 MWh/year
± 50 MWh/year	Auto repair shop Corner deli Hairdresser (Larger shop)	Auto repair shop Corner deli Hairdresser (Larger shop)	Sport/recreation club Chinese restaurant Yacht club Family centre
± 100 MWh/year	Restaurant (that uses electricity for cooking) Small bakery Small size office	Restaurant (that uses electricity for cooking) Small bakery Small size office	Cafe / pizza store Small fast food outlet Small office (taxi)
± 150 MWh/year	Small-Medium size office (using r/c air-conditioning) Small manufacturing (processing) plant Panel beater	Small-Medium size office (using r/c air-conditioning) Small manufacturing (processing) plant Winery	Police station Country club Video store Primary School

Note: Regional area in this context includes all areas with the exception of the Pilbara and the metropolitan area.

E. Who must comply with this Code?

All retailers, distributors and marketing agents must comply with this Code.³

F. What does this Code deal with?

The Code deals with a wide array of matters related to the supply and marketing of electricity.

One matter the Code does **not** address is reliability and quality of supply. This means that the Code does not deal with matters such as outages, voltage quality, supply frequency, etc. As these matters affect all customers (not just small use customers), they matters were excluded from the Code.

However, there are other Acts and Regulations that deal with issues of quality and reliability of supply, such as the *Electricity Industry (Network Quality and Reliability of Supply) Code 2005*.

³ Retailers and distributors who have been exempted from the requirement to hold a licence under section 7 of the *Electricity Industry Act 2004* may be exempted from compliance with the Code.

Part 1 - Preliminary

Part 1 deals with a number of administrative matters such as the title of the Code, commencement of the Code, definitions, etc.

Commencement

The Code took effect on 31 December 2004.

Contracting out of the Code

Clause 1.10 of the Code allows customers and retailers to specify in a non-standard contract that certain provisions of the Code do not apply. This clause intends to provide customers and retailers with sufficient flexibility to negotiate the terms and conditions of their contracts.

Part 2 – Marketing

This Part specifies the minimum service standards a marketer must take into account when marketing electricity.

Marketing representatives

The marketing of electricity is generally carried out by marketing representatives. They may approach prospective customers either by telephone, in person or by electronic communication. To ensure that marketing representatives are properly trained and provide customers with sufficient information, Divisions 1, 2 and 3 of this Part require marketing representatives to:

- undertake appropriate training and testing (clause 2.2);
- refrain from certain practices (clause 2.8);
- identify themselves when approaching customers (clauses 2.9 to 2.12); and
- not contact customers outside the permitted call times (clauses 2.9 to 2.12).

Marketers

To ensure that a marketing representative's employer assumes responsibility for any marketing carried out on its behalf, the Code also places obligations on these persons (*marketers*).

Where a retailer opts to engage in marketing activities itself, the retailer will be the marketer. However, if the retailer opts to outsource its marketing activities to a third party, the third party will become the marketer.

A retailer cannot avoid its responsibilities by outsourcing its marketing activities. Under the Code, a retailer at all times remains responsible for the behaviour of any marketing representatives acting on its behalf (refer clause 2.15(3)).

A person who negotiates contracts with a retailer on behalf of customers (for example, an energy consultant or broker) also falls under the definition of "marketer" and must therefore also comply with the Code. However, because brokers do not act on behalf of a retailer, a retailer is not responsible for the conduct of these persons.

Unconscionable conduct

Clause 2.8(1) prohibits a marketing representative from engaging in unconscionable conduct. "Unconscionable conduct" includes for example selling electricity to a person who is incapable of making an informed decision (e.g. if a person is substantially illiterate or has a mental disability). In such cases, the marketing representative should give the person an opportunity to seek independent advice.

Provision of information

To ensure that customers are aware of their rights and obligations, the Code requires marketers to provide customers with a range of information before they enter into a contract (clause 2.6) and at the time or after they enter into the contract (clause 2.7).

Because non-standard contracts are not approved by Government or an independent regulator, the Code specifies that customers who enter into such a contract must sign the contract in writing and be provided with a copy of the contract at the time they enter into the contract.

Part 3 - Connection

Part 3 specifies the time frames within which a retailer must forward a customer's request for connection to a distributor.

Upon receipt of the request, the distributor must connect the customer's premises within the time frames specified in the *Electricity Industry (Obligation to Connect) Regulations 2005*.

Offer to supply

A retailer is only required to forward a customer's request, if the customer has entered into a contractual relationship with the retailer. As a retailer is generally not required to enter into a contractual relationship with a person, a retailer may refuse to supply a person.

There is one notable exception. Under the *Electricity Industry (Customer Contracts) Regulations 2005*⁴, Synergy and Horizon Power are required to offer to supply electricity to all persons who request supply. They are, however, only obliged to offer to supply persons under their standard form contract.

Outstanding debt

Although Synergy and Horizon Power must offer to supply electricity to all persons who request supply, they may require payment of any outstanding debt with them prior to connection.

If the person is unable to repay the debt due to payment difficulties or financial hardship, Synergy or Horizon Power must offer the person additional time to pay the debt or an instalment plan in accordance with Part 6. In certain circumstances, the assistance specified in Part 6 must therefore also be made available to prospective customers.

⁴ Refer regulation 40.

Part 4 – Billing

Billing cycles (clauses 4.1 and 4.2)

A retailer must send a customer a bill at least once every three months, but not more often than once a month (clause 4.1).

However, a customer may agree with a retailer to receive the bill more or less often.

Also, if a customer has received a reminder notice for the last three bills, the retailer may choose to send the customer a bill more often than once a month.

Contents of a bill (clause 4.4)

A retailer must include certain information on a customer's bill (clause 4.4).

If a retailer discovers that a customer still has an outstanding debt from a previous supply address, the retailer may request the customer to pay the debt. However, the retailer may not combine the debt and the current amount due on the customer's bill without telling the customer that the bill includes a sum for a debt related to a previous supply address (clause 4.4(3)).

Basis of a bill (division 3)

Division 3 of the Code specifies how a retailer must determine the amount of electricity a customer has consumed. In general, the customer's consumption will be determined by a reading of the meter placed at the customer's supply address. In most cases, the distributor will read the meter. However, a retailer may also request a customer to read the meter. These matters are addressed in clause 4.5.

If a customer agrees to read the meter on behalf of the retailer, the customer's bill will be based on the customer's reading of the meter. The retailer is in this event not obliged to read the meter at least once every twelve months.

If a retailer does not receive a meter reading from the distributor or customer, the retailer may estimate the customer's consumption. Clause 4.7(2) specifies the methods a retailer may use to estimate a customer's consumption. A retailer may use an estimate for no longer than 12 months (clause 4.6).

Review of a bill (division 7)

A customer may at all times request a retailer to review the bill. A retailer, however, only has to review the customer's bill if the customer pays that part of the bill that is not in dispute or an amount equal to the customer's average bill (whichever is less).

If a customer has overpaid an account, a retailer must refund the money to the customer. If the customer has underpaid, the retailer may request the customer to pay the difference back to the retailer. However, if the customer did not pay enough because of a mistake made by the retailer or distributor, the retailer may only recover money for the last twelve months. The Code also requires a retailer to offer the customer sufficient time to pay the amount back.

Part 5 – Payment

Time to pay a bill (clause 5.1)

A retailer must give a customer at least 12 business days to pay a bill.

How a bill may be paid (clauses 5.2 - 5.5)

A retailer must ensure that a customer has a minimum number of payment options.

If a customer wishes to make advance payments towards a future bill, the retailer must accept those payments. However, the retailer may decide only to accept advance payments that exceed a certain amount.

Late payment fees (clause 5.6)

By law, Synergy and Horizon Power may charge a customer a late payment fee if the customer does not pay its bill before the due date.

The Code, however, limits the circumstances in which a retailer may charge this fee in terms of application, timing and frequency. Residential customers who receive a concession will not be charged a late payment fee for the first two reminder notices they receive each year. Furthermore, under the Code, a customer cannot receive more than two late payment fees in relation to the same bill.

Moving out of a supply address (clause 5.7)

A customer must give a retailer at least 3 business days notice when the customer intends to leave the supply address. If a customer does so, the customer will not have to pay any costs for electricity that were incurred after the customer left. If a customer tells a retailer less than 3 business days before the customer intends to leave or when the customer has already left, the retailer may require the customer to pay any costs for electricity that were incurred until 3 business days *after* the customer told the retailer.

From whom a debt may be collected (clause 5.8)

Under the Code, a retailer may only collect a debt from the person who holds the account. This means that if an account holder leaves the supply address without paying any outstanding debts, the persons who were residing at the supply address at that time will not be liable for the debt. However, if those persons continue to use electricity and don't tell the retailer that the account holder has left, those persons will be deemed to have entered into a contract with the retailer. This means that they will have to pay for any electricity consumed after the account holder left.

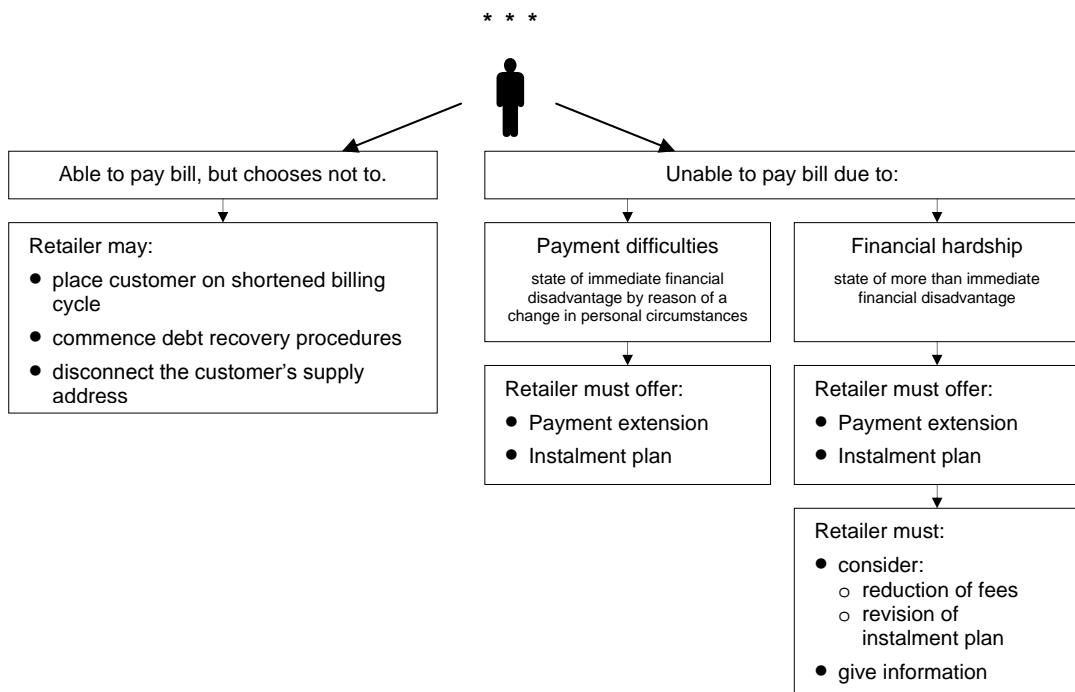
Part 6 – Payment difficulties & financial hardship

General

This Code adopts a three-tiered process to address non-payment of bills by customers –

- (1) where a customer has the capacity to pay a bill, a retailer may –
 - (a) place the customer on a shortened billing cycle (subject to the conditions specified in clause 4.1(a)(ii) and 4.2);
 - (b) commence debt recovery proceedings immediately (subject to the conditions specified in clause 5.8); and
 - (c) disconnect the customer’s supply address (subject to the conditions specified in clauses 7.1 to 7.3);
- (2) where a residential customer does not have the capacity to pay a bill due to payment difficulties, a retailer must offer the customer the payment options specified in clause 6.4. This situation is dealt with in Division 2 of this Part; and
- (3) where a residential customer does not have the capacity to pay a bill due to financial hardship, a retailer must –
 - (a) offer the customer the payment options specified in clause 6.4;
 - (b) advise the customer of the services referred to in clause 6.8; and
 - (c) on request, give reasonable consideration to –
 - (i) reduction of fees, charges or debt (clause 6.6); and
 - (ii) revision of the customer’s alternative payment option (clause 6.7).

This situation is dealt with in Division 3 of this Part.



Assessment of financial situation (division 1)

Some residential customers may have trouble paying their electricity bills. To help these customers, the Code requires retailers to provide them with certain forms of assistance. The assistance is, however, only available if the customer **tells** and **demonstrates to** the retailer that the customer is having trouble paying the bill.

If a residential customer demonstrates to a retailer that the customer has made an appointment with a relevant consumer representative, the retailer is generally required to give the customer 10 days to meet with the relevant consumer representative (clause 6.2).

If a customer tells a retailer that the customer has trouble paying the bill, the retailer must determine whether the customer is experiencing:

- *Payment difficulties.* A customer is experiencing payment difficulties if the customer is unable to pay the bill due to a change in circumstances (e.g. an unexpected disability, or where a fire has destroyed the customer's home); or
- *Financial hardship.* A customer is experiencing financial hardship if the customer is unable to pay the bill without affecting the customer's ability to meet basic living needs (such as rent and food).

Assistance available

Payment difficulties (division 2)

If a retailer's assessment indicates that the customer is experiencing payment difficulties, the retailer must offer the customer:

- a payment extension; and
- an instalment plan.

The customer may choose which option they prefer. If the customer chooses an instalment plan, the retailer must take the customer's capacity to pay into account when determining the period of the plan and the amount of the instalments.

Financial hardship (division 2 and 3)

If a retailer's assessment indicates that the customer is experiencing financial hardship, the retailer must:

- offer the customer:
 - the same payment arrangements as are offered to customers experiencing payment difficulties (payment extension and an instalment plan);
 - information on services available to the customer (e.g. concessions);
- give reasonable consideration to a request by a customer for a:
 - reduction of fees, charges or debt; and
 - revision of the previously agreed to payment arrangements (e.g. an additional extension to pay the bill, or a revision of the instalment plan).

Hardship policy

Under clause 6.10, a retailer must develop a hardship policy to assist customers in financial hardship. The hardship policy provides for the overall approach to be adopted by a retailer with regard to issues of financial hardship.

Part 7 – Disconnection

Part 7 specifies the minimum standards a retailer and a distributor must take into account when disconnecting a customer's supply address.

When a customer may be disconnected

A retailer may disconnect a customer on statutory⁵ or contractual grounds.

If a retailer or distributor wishes to disconnect a customer's supply because the customer –

- failed to pay its bill before the due date;
- obtained electricity illegally; or
- denied access to the meter,

the retailer or distributor must comply with the following requirements:

If a customer fails to pay its bill (subdivision 1)

Clauses 7.1 to 7.3 specify the actions a retailer must take before it may disconnect supply for failure to pay a bill. Under clause 7.1, a retailer must send a customer at least a reminder notice and a disconnection warning prior to disconnection.

The disconnection warning may be sent not less than 18 business days after the retailer sent the bill, and must then give the customer at least 5 business days warning. A retailer can therefore not disconnect supply within 24⁶ business days of sending the bill.

Clause 7.2 furthermore includes a number of exceptions to this power to disconnect. A retailer may, for example, not disconnect supply if the customer has accepted an offer for an instalment plan. As a result, customers in financial hardship will not be disconnected if they contact their retailer in time and make the necessary arrangements.

If a customer fails to give access to the meter (subdivision 2)

Under clause 7.4, a retailer may only disconnect supply if a customer has failed to give access to the meter for at least the last 12 months. Before the retailer may disconnect supply, it must try to contact the customer and tell the customer that the retailer may disconnect supply if the customer does not provide access. A retailer must furthermore give the customer a disconnection warning with at least 5 business days notice.

If there is an emergency (subdivision 3)

A distributor can always disconnect a customer in case of an emergency. However, if a distributor does so, it must provide for a 24 hour emergency telephone line on

⁵ See for example section 58 of the *Energy Operators (Powers) Act 1979* and sections 35 and 49(2) of the *Electricity Act 1945*.

⁶ Under clause 7.2(1)(a), a retailer must provide a customer with 1 business day grace after the expiry of the time frame specified in the disconnection warning.

which customers are given information on the nature of the emergency and an estimate of when their supply will be restored.

When a customer may not be disconnected (division 2)

Clause 7.6 includes a number of circumstances in which a retailer and a distributor may not disconnect supply. For example, during a weekend or when a customer has made a complaint directly related to the reason for the disconnection.

A retailer may furthermore not arrange for the disconnection of a customer's supply address for failure to pay a bill if the customer (or a person living at the customer's premises) is on life support.

If a customer is on life support, the distributor must also give the customer 3 days written notice of any planned interruptions to the customer's supply. The notice is intended to provide a customer with sufficient time to make alternative arrangements.

Part 8 – Reconnection

Part 8 specifies the circumstances under which a customer's electricity supply must be reconnected.

If a customer's supply has been disconnected and the reason for disconnection no longer exists, the customer can request the retailer to reconnect its supply (clause 8.1(1)). The retailer may, however, require the customer to pay a reasonable fee for arranging the reconnection. If the customer is unable to pay this fee, the fee may be rolled into an instalment plan.

Forwarding the request (clause 8.1)

If the reason for disconnection has ceased to exist and the customer has –

- requested to be reconnected; and
- paid the retailer's reasonable charge for reconnection,

the retailer must arrange for the reconnection of the customer's supply address by forwarding the customer's request to the distributor. The time frames for forwarding the request are specified in clause 8.1(2).

Reconnecting the customer's supply address (clause 8.2)

Upon receipt of the request for reconnection, the distributor must reconnect supply to the customer's supply address within the time frames prescribed in clause 8.2(2).

Payment (clause 14.2)

If the customer's supply address is not reconnected within the prescribed time frames, the customer is entitled to compensation from the retailer.

Part 9 – Pre-payment meters in remote communities

Part 9 specifies minimum standards for the use of pre-payment meters in certain remote communities.

Why this Part was included in the Code

Synergy and Horizon Power, in conjunction with State and Federal Governments, are undertaking a pilot programme to introduce pre-payment meters in a small number of remote communities. A pre-payment meter enables a customer to pay for the supply of electricity prior to consumption, comparable to a pre-paid mobile telephone. To ensure that these customers receive similar levels of protection as customers who receive periodic accounts, the Code also prescribes service standards for these customers.

The meters are intended to assist customers in better managing their finances, as they prevent build-up of large debts.

Exclusion from Parts 4 to 8 of the Code (clause 9.2)

Customers who use a pre-payment meter do not receive a bill. Therefore, certain parts of the Code (that are based upon the assumption that the customer receives a bill) cannot apply to these customers.

Elements of Part 6 will apply to pre-payment meter customers in that a retailer must establish hardship policies to assist residential customers who experience payment difficulties and financial hardship and use a pre-payment meter.

Information provision (clause 9.4)

To ensure that a customer understands the pros and cons of using a pre-payment meter, a retailer must give the customer detailed information on the use of those meters (clause 9.3(1)). In addition, the retailer must give each customer who has installed a pre-payment meter (or an account established) an “information package” similar to that provided to customers who receive a bill.

Safeguards (clauses 9.5 - 9.10)

A retailer must ensure that a:

- pre-payment meter is not installed if the customer is on life support;
- customer receives all relevant concessions provided by the retailer;
- customer has easy access to facilities to recharge the card;
- pre-payment meter provides an emergency credit of \$10;
- customer can retrieve any remaining credit when the customer leaves the supply address; and
- pre-payment meter immediately recommences supply when a customer inserts a new card into the meter (with sufficient credit).

Part 10 – Information & Communication

Part 10 specifies the information that a retailer and a distributor must give to a customer (on request).

A customer may ask the retailer and distributor for various information (most of which must be provided free of charge). As the functions of a retailer and a distributor differ, some requests for information must be directed at the retailer and others at the distributor. Division 1 therefore specifies which information must be provided by a retailer, and division 2 sets out the information to be given by a distributor.

If a customer asks a retailer a question relating to a distribution matter, the retailer must either give the information to the customer (after having contacted the distributor), or refer the customer to the distributor.

Alternative formats

Some customers may experience problems trying to access information provided by retailers or distributors because of a disability or insufficient knowledge of the English language. Clause 10.11 therefore obliges retailers to make available to these customers services that assist in interpreting the information.

Clause 10.11 was intentionally drafted broadly to ensure that a wide variety of services would be available to customers. Services that must be made available include for example independent multi-lingual services, TTY services and large print copies of documents.

The information must be made available to the customer free of charge. A retailer or distributor is only required to provide this information upon request by a customer.

Part 11 – Customer Service Charter

Part 11 obliges a retailer and a distributor to publish a Customer Service Charter.

Purpose

The Customer Service Charter will describe each individual retailer's or distributor's service standards. These service standards must, as a minimum, be no less than the service standards prescribed by the Code.

However, a retailer or a distributor may choose to include service standards which are higher than those prescribed by the Code. A retailer or a distributor could also choose to include service standards that are not included in the Code. The Customer Service Charter therefore provides a retailer or a distributor with the opportunity to differentiate itself from other retailers or distributors. In addition, it ensures that customers receive comprehensive information on their key rights and obligations (in plain English).

Clause 11.1(2) specifies which information must be included in the Customer Service Charter.

Making available

To ensure that the Charter is adequately available to customers, the Code specifies that a retailer must inform a customer how the customer can obtain a copy of the retailer's Charter:

- when the customer enters into a new contract (clause 2.7); and
- as soon as possible after 1 January 2005 (for those customers who will be able to choose a new retailer on 1 January 2005 i.e. contestable customers).

Part 12 – Complaints and Dispute Resolution

Part 12 obliges retailers, distributors and marketers to develop internal complaints and dispute resolution handling processes.

Contents (clause 12.1)

The Code specifies the minimum requirements for internal complaints handling processes, such as:

- compliance with the Australian Standard on Complaints Handling;
- inclusion of a right for the customer to have their complaint considered by a senior employee; and
- specifying how quickly a complaint will be dealt with.

When is a matter a complaint? (clause 12.2)

At times, it may be difficult to determine whether a matter raised by a customer is a complaint. For example, a customer may be unhappy with the location of an electricity pole in his front yard. If the customer asks the distributor to move the pole, the request could be seen as a simple query or as a complaint.

To ensure that queries and complaints are appropriately classified, clause 12.2(1) requires retailers, distributors and responsible marketers to develop guidelines that:

- delineate queries from complaints; and
- provide for a classification system of complaints.

A retailers and a distributor must refer to these guidelines in their respective Customer Service Charters.

Part 13 – Record keeping

Part 13 obliges retailers and distributors to keep records on certain matters.

Purpose

Part 13 obliges retailers and distributors to keep statistics of a number of specific performance indicators. These statistics may be requested by the Economic Regulation Authority (clause 13.11) and made available to the public.

Publication of these statistics may give customers some insight into how their retailer's or distributor's service levels compare to those of others. This information may be of particular interest to contestable customers who can choose a new retailer from 1 January 2005.

The statistics will also show emerging trends, such as increases or decreases in the number of customers experiencing problems paying their electricity bills (e.g. through the number of customers on an instalment plan).

What records does a retailer have to keep? (division 2)

Under division 2, a retailer must keep records that provide insight into the:

- affordability and access of services provided by the retailer;
- number of complaints received by the retailer, the sort of complaints, and how the retailer addressed those complaints; and
- number of compensation payments made.

What records does a distributor have to keep? (division 3)

Under division 3, a distributor must keep records that provide insight into:

- the number of connections established (on time);
- how quickly the distributor fixed faulty street lights;
- the number of complaints received by the distributor, the sort of complaints, and how the distributor addressed those complaints; and
- the number of compensation payments made.

How long must a retailer or a distributor keep the records? (division 1)

A retailer and a distributor must keep the records for at least three years from the last date on which the information was recorded.

Part 14 – Service Standard Payments

Part 14 specifies that, if Synergy, Horizon Power or Western Power breach prescribed service standards, their non-contestable customers are entitled to a payment.

Available payments (divisions 1 and 2)

The following payments are available to customers:

- Payment for failure to reconnect supply in time - \$50/day (maximum of \$250)
- Payment for wrongfully disconnecting a customer's supply address - \$50/day (maximum of \$250)

For example, if Synergy or Horizon Power fails to give a customer a disconnection warning or disconnect the customer during a weekend, they must make a payment to the customer.

- Payment for failure to acknowledge or respond to a written complaint - \$20

If Synergy, Horizon Power or Western Power fails to acknowledge a written query or complaint within 10 business days or respond to a written query or complaint within 20 business days, the customer is entitled to a payment of \$20.

- Payment for failure to notify a customer of planned interruptions - \$20

If Horizon Power or Western Power fails to notify a customer of a planned interruption (in writing, through a TV or radio broadcast or by publication in a newspaper), the customer is entitled to a payment of \$20.

Receiving a payment (clauses 14.7 and 14.8)

Synergy, Horizon Power and Western Power are not required to proactively make compensatory payments to customers. It is the responsibility of a customer to contact them to request a payment. A customer has 2 months to make a request.

The payment may be made by crediting the customer's next bill or by paying the amount directly to the customer.

Synergy, Horizon Power and Western Power are not required to make a payment if they were unable to meet the service standard as a result of an event outside of their control.

Dispute (clause 14.9)

If Synergy, Horizon Power or Western Power refuses to provide the payment, the customer may attempt to recover the payment through a court (clause 14.9), such as the Energy Ombudsman.

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