

Western Power's submission on the *Electricity Industry Customer Transfer Code 2004* review

May 2014

Question Number	Section of Transfer Code	Question	Comments
1.	1.2	Application of the Code Should the application of the Transfer Code be extended to include network operators and retailers if it is a term or condition of their licence exemption that they comply with the Transfer Code?	Western Power has no comment on this question.
2.	1.3	Code Definitions A. Comments are invited on the suitability of the definitions identified in this Issues Paper as potentially requiring amendment. <ul style="list-style-type: none">• "Access Contract"• "Contestable"• "Exit Point/ Bidirectional Point"• "Metropolitan Area"	A. "Exit point/Bidirectional point" – Western Power supports the proposed amendment. Western Power acknowledges that there has been a substantial increase in connection points that function as both an entry and exit point (i.e. bidirectional) and that the Transfer Code needs to provide for all contestable customers. Western Power supports the Transfer Code being updated to reflect that contestable customers can transfer if they are either an "exit point" or a "bidirectional point".

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		<ul style="list-style-type: none"> • “Network Operator and Retailer” • “Trading Day” • “Unique Market Identifier” • “Verifiable Consent” <p>B. Are there definitions not identified in this Issues Paper that are inaccurate or incorrect? If so, what amendments are required to those definitions?</p> <p>C. Are any new definitions required?</p>	<p>“Trading Day” – Western Power supports aligning the definition of “Trading Day” in the Transfer Code with the Metering Code definition of “day”. The inconsistency has been a long standing issue for Western Power, as described in the issues paper.</p> <p>Western Power has no comment on the proposed amendments to the other definitions.</p> <p>B. Western Power has no comment on this question.</p> <p>C. Western Power has no comment on this question.</p>
3.	1.6	<p>Meaning of “publish”</p> <p>Should the meaning of “publish” be amended to be consistent with the Metering Code 2012?</p>	<p>Western Power supports amending the meaning of “publish” to be consistent with the Metering Code. Western Power’s general practice is to maintain published items on its website for 7 years, consistent with the Metering Code requirements.</p>
4.	2.2	<p>Arms-length between network operator and retailers</p> <p>Should the arm’s length treatment provisions be amended so that clause 2.2(1) does not apply to a network while there is no more than one retailer on the network?</p>	<p>Western Power has no comment on this question.</p>
5.	3.4	<p>Submitting a data request</p> <p>A. Is the limit of 20 requests for standing data and historical consumption data in clause 3.4 consistent with the Transfer Code objectives?</p>	<p>A. Western Power considers that, due to improvements in technology and market systems since the Transfer Code was established, a review of the limit of 20 requests is required to ensure the limit is consistent with the Transfer</p>

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		<p>B. Does the current limit represent a barrier to effective retail competition?</p> <p>C. What is a suitable number of requests, or should the number of requests be unlimited?</p>	<p>Code's objective of promoting competition.</p> <p>B. Western Power has no comment on this question.</p> <p>C. Western Power objects to the number of requests being unlimited. Specification of a limit is consistent with the Transfer Code's objectives, as a limit ensures the responsibilities and obligations of Western Power are clear.</p> <p>Western Power would seek to understand the retailers' views as to the volume of requests desired. System limitations would need to be considered in determining Western Power's position. There will be financial implications for Western Power if system upgrades and additional staff are required to monitor performance.</p> <p>Unlimited or unreasonable numbers of requests would affect Western Power's ability to meet its responsibilities and obligations under the Transfer Code and to provide reliable and affordable services.</p> <p>The timeframes for Western Power to provide the requested data would need to be reviewed if a change to the limit of requests is progressed.</p>
6.	3.2(1) and 3.5(1)	<p>Verifiable consent required for historical consumption data</p> <p>Should clauses 3.2(1) and 3.5(1) be amended to require a retailer to submit the customer's</p>	<p>Western Power objects to the proposed amendment.</p> <p>The market is such that the retailers have the relationship with the contestable customer, not Western Power.</p> <p>Requiring a retailer to submit the verifiable consent for each</p>

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		verifiable consent with a data request?	<p>request would result in additional, unnecessary costs for Western Power, as Western Power would need to upgrade, implement and maintain its systems to accommodate this. This amounts to increased administrative burdens for Western Power and a duplication of efforts for no additional benefit.</p> <p>In addition, a new process and governance structure would need to be implemented to receive, store and audit the verifiable consent. Again, this amounts to additional costs for Western Power.</p> <p>Further, it is inappropriate for Western Power, as the network operator, to verify the compliance of other Code participants to their responsibilities and obligations.</p>
7.	3.8(2)(a)	<p>Communication rules for data provision</p> <p>Should clause 3.8(2) be amended to reflect that a network operator can now establish its own communication rules under the Metering Code 2012?</p>	Western Power supports the proposed amendment to ensure consistency with the Metering Code.
8.	3.8(2)(b)	<p>Network operator's obligations on receipt of a valid data request</p> <p>Are the prescribed timeframes for a network operator to provide requested data to a retailer (as per the table in clause 3.8(2)(b)) suitable?</p>	Western Power recommends that clause 3.8(2)(b) of the Transfer Code be deleted. Western Power recognises that the Transfer Code was established in 2004, prior to the establishment of the Metering Code and the associated MSLA. Western Power considers that the establishment of the MSLA has duplicated the table in clause 3.8(2)(b) of the Transfer Code. Western Power considers that this duplication is unnecessary and that the MSLA is the appropriate document for the specification of prescribed

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			<p>timeframes for the provision of metering services.</p> <p>The timeframes in the MSLA are consistent with Western Power's current practice. Western Power reiterates that the service standards in the MSLA were approved by the ERA and widely accepted by retailers.</p> <p>As the MSLA is part of the Metering Code, the deletion of clause 3.8(2)(b) of the Transfer Code would ensure consistency with the Metering Code and eliminate duplication.</p>
9.	3.10(2)(a)	<p>Data charges</p> <p>A. Is the figure of \$45 in clause 3.10(2)(a) reasonable and, if not, what should it be?</p> <p>B. Rather than prescribe a maximum allowable charge under 3.10(2)(a), should charges for less than 12 months of data reflect the network operator's reasonable costs (similar to clause 3.10(2)(b))?</p>	<p>A. Western Power has no comment on this question, however, would like to reserve the right to reassess this question pending the outcome of question 5 to ensure that the data charges reflect Western Power's reasonable costs.</p> <p>B. Western Power's reasonable costs will depend on the outcome of the retailers' submissions on the proposed amendment to the volume of data requests under question 5. An unlimited or unreasonable volume of requests would affect Western Power's ability to provide an affordable service due to the need for system improvements, at additional cost to Western Power.</p> <p>Further, Western Power recognises that the Transfer Code was established in 2004, prior to the establishment of the Metering Code and the associated MSLA. Western Power considers that it may be more appropriate for charges for the provision of metering services to be specified solely in</p>

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			the MSLA, rather than duplicating this in the Transfer Code.
10.	3.10(3)	Review of charges for historical consumption data A. Should the Transfer Code have a specific process to request an amendment to the data charge in clause 3.10(2)(a)? B. If so, what should the process be and should the charge be approved by the Authority or the Minister?	A. Western Power considers that it may be more appropriate for charges for the provision of metering services to be specified solely in the MSLA rather than duplicating it in the Transfer Code. This would ensure that data charges reflect the commercial arrangement under the MSLA, rather than a statutory charge. Western Power recognises the relevant data charges are those chargeable and applicable under the MSLA (see pages 55-58 of the MSLA). Western Power does not believe costs for services should be determined in the Transfer Code as it is an unnecessary duplication. B. Not applicable. Refer to “A” above
11.	4.5(1)(b)	Submitting a customer transfer request A. Is the amount of 20 customer transfer requests in clause 4.5(1)(b) reasonable? B. Is there a need for a cap in the number of transfer requests? C. Should a network operator and a retailer be allowed to negotiate the number of transfer requests?	A. Western Power considers that, due to improvements in processes, technology and market systems since the Transfer Code was established, a review of the limit of 20 requests is required to ensure the limit is consistent with the Transfer Code objectives. B. Western Power supports the imposition of a cap on the number of transfer requests, to ensure consistency with the Transfer Code objectives, as a limit ensures the responsibilities and obligations of Western Power are clear. Western Power supports the imposition of a cap, so that workloads can be effectively managed thereby reducing

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			<p>Western Power's resourcing requirements and, therefore, not increasing Western Power's costs.</p> <p>C. Western Power would seek to understand the retailers' views as to the volume of requests desired. System and operational limitations would need to be considered in determining Western Power's position, so that Western Power can meet its obligations associated with the processing of transfer requests. There will be financial implications for Western Power, if system upgrades and additional staff are required to monitor performance. Western Power supports the ability to negotiate the number of transfer requests with the retailers, provided that if the parties cannot agree, then the limit prescribed in the Transfer Code would prevail.</p>
12.	4.6(1)(b)	<p>Retailer's representations and warranties re transfer requests</p> <p>Should clause 4.6(1)(b) clarify what the responsibilities of each party are when effecting a meter change under the Metering Code 2012 to enable the transfer of a customer?</p>	<p>Western Power agrees that the note at the end of clause 4.6(1)(b) of the Transfer Code should be included in the body of the clause, as it is consistent with Western Power's current practice and will clarify the parties' responsibilities.</p>
13.	4.7 and 4.10	<p>Nominated transfer date</p> <p>Should the Transfer Code's timeframes (including the timeframes in clauses 4.7 and 4.10) for carrying out a metering service be aligned with the MSLA's service levels?</p>	<p>Western Power agrees that the timeframes in the Transfer Code should align with the MSLA, as the Transfer Code was established prior to the MSLA. The timeframes in the MSLA reflect Western Power's current capabilities. Western Power reiterates that the service standards in the MSLA were approved by the ERA and</p>

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			widely accepted by retailers.
14.	4.10	Network operator's obligations on receipt of valid transfer request Should the network operator be liable for retailer and customer losses caused by an act or omission by the network operator that result in the customer transferring after the nominated transfer date?	<p>Western Power objects to the proposed amendment.</p> <p>Western Power may already be subject to financial implications under the Access Contract for failure to comply with the service standards in the MSLA.</p> <p>The claim for loss could be excessive for a service that is provided by Western Power for a relatively low cost. Any payments made by Western Power would eventually be passed on to customers in the form of higher costs.</p> <p>Further, Western Power has no relationship with the customer and therefore has no understanding of what the customers' and retailers' losses could be.</p> <p>Accordingly, Western Power considers the Access Contract is the more appropriate place for the parties to agree liability, not the Transfer Code.</p>
15.	4.11(1)	The transfer – actual readings Should clause 4.11(1) be aligned with the Metering Code 2012 by defining the term “actual value” in relation to meter readings?	Western Power agrees in principle with the proposed amendment to align clause 4.11(1) of the Transfer Code, to the Metering Code term “actual value” in relation to meter readings.
16.	4.12(1) and 4.12(3)	Effect of a transfer on an access contract A. Is the Transfer Code clear on which retailer supplies the customer during negotiations that	A. Western Power considers the Transfer Code is clear that the connection point remains with the outgoing retailer during the negotiations, until the actual completion of the

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		take place under clause 4.12(3)? B. If not, what amendments are required to address this uncertainty?	transfer request. B. Not Applicable. See 'A' above.
17.	-	Network operator performance reports Should the Transfer Code require network operators to prepare and publish annual performance reports on services related to customer transfers?	Western Power objects to this proposal, as it already reports on the services related to customer transfers in the annual reports required under clause 5.37 of the Metering Code. There would be financial implications for Western Power if duplicated reporting was required. Western Power also believes that duplicated reporting has no benefit for stakeholders and may cause confusion. Western Power notes that the ERA is currently streamlining reporting requirements to eliminate duplication.
18.	ss 71(4), 72 and 77 <i>Electricity Industry Act 2004</i>	Supplier of last resort Should the Transfer Code address its applicability during a Supplier of Last Resort (SoLR) event; for example, should the Transfer Code be amended to clarify its provisions do not apply during a SoLR event?	Western Power supports the proposed amendment to provide clarity that the Transfer Code does not apply during a SoLR event. If the Transfer Code applied in a SoLR event, there is potential for Western Power to be in breach of its obligations under the Transfer Code due to the large volume of transactions that may be required. Western Power considers that the application of the Transfer Code to a SoLR event would be a barrier to Western Power efficiently responding to a SoLR event.
19.	-	Consistency with the <i>Code of Conduct for the Supply of Electricity to Small Use Customers</i>	A. Western Power objects to the proposed amendment as it is adequately covered in the Metering Code. In addition, the

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		<p>A. Should the Transfer Code require the network operator to ensure its process for transferring a customer does not cause a retailer to breach its Customer Code obligations?</p> <p>B. If so, what requirements should the Transfer Code prescribe?</p>	<p>transfer processes set out in the Transfer Code allows for retailers to comply with their Customer Code obligations, so there is no need to duplicate this requirement.</p> <p>B. Not applicable. See “A” above</p>
20.	Part 5	<p>Communication rules</p> <p>Should Part 5 of the Transfer Code be removed or amended to make it consistent with Part 6 of the Metering Code 2012?</p>	Western Power supports the removal of Part 5 of the Transfer Code as it is now outdated because of the development of the MSLA.
N/A	Part 6	<p>Notices</p> <p>Submissions on any matter relating to Part 6 of the transfer Code are invited.</p>	No submissions from Western Power.
21.	Part 7	<p>Referral of disputes to the Authority</p> <p>Should the Energy Arbitrator replace the Authority as the arbitrator of Transfer Code disputes?</p>	Western Power supports the proposed amendment for consistency with the Metering Code.
22.	Part 7	<p>Costs of disputing parties</p> <p>If the Authority is replaced by the Energy Arbitrator as the arbitrator of disputes, should the Transfer Code adopt the Metering Code 2012’s provisions on the determination and recovery of</p>	Western Power supports the proposed amendment for consistency with the Metering Code.

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		the Energy Arbitrator's dispute costs?	
N/A	Part 8	Code Amendment Submissions are invited on any matters relating to Part 8 of the Transfer Code	No submissions from Western Power.
N/A	Appendices	Code Appendices Submissions are invited on any matters relating to the Appendices <ul style="list-style-type: none"> • Annex 1 – Request for Standing Data Form • Annex 2 – Request for Historical Consumption Data Form • Annex 3 – Customer Transfer Request Form • Annex 4 – Standing Data and Historical Consumption Data • Annex 5 – UMI Discovery Procedure • Annex 6 – Electronic Communications Protocol 	No submissions from Western Power.

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