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Ms Chloe Upton  
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Dear Chloe,

**Proposed amendments to the Electricity Industry Metering Code 2012 – life support provisions under on-selling arrangements**

Thank you for providing Synergy with the opportunity to comment on the proposed amendments to the life support provisions under the Electricity Industry Metering Code 2012 (**Code**). Synergy supports any regulatory initiative that is focused on effective outcomes based regulation, providing regulatory certainty and removing duplication.

**Significant gap in the on-selling regime**

The Public Utilities Office's (**Office**) Report<sup>1</sup> clearly highlights a significant gap in ensuring electricity on-seller customers<sup>2</sup> who are life support dependent receive certain, reasonable and prompt notification of a planned supply outage by their on-seller. In addition, these third party life support consumers are also not protected from disconnection<sup>3</sup> by on-sellers or caravan park owners.

Under the current regime on-sellers who operate under the Exemption Order and Caravan Park Order (**Exemption Orders**) are not required to hold an electricity retail licence and therefore, are not required to comply with the life support obligations under the Code and Code of Conduct.<sup>4</sup> Therefore, under the current regime there is a gap in ensuring third party life support consumers receive certain, reasonable and prompt notification of a planned supply outage. In addition, life support customers supplied under the Code of Conduct are provided certain protections from disconnections. However, third party life support consumers do not have the same disconnection protections from on-sellers and caravan park owners.

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<sup>1</sup> Public Utilities Office, Draft Recommendations Report, May 2015 (**Report**).

<sup>2</sup> Consumers in an on-selling arrangement who are supplied electricity through a privately owned network.

<sup>3</sup> Unlike customers who are supplied under the Code of Conduct.

<sup>4</sup> Code of Conduct for the Supply of Electricity to Small Use Customers 2014.

## **Amendments necessary to protect third party consumers**

Licensed electricity retailers have to comply with the life support obligations under the Code and the Code of Conduct in relation to the customers they directly supply. In addition, these obligations are also subject to an independent performance audit by the Economic Regulation Authority in order to ensure licensed retailers have implemented effective processes.

However, as outlined in the Report, licensed electricity retailers have no direct relationship with the consumers or residents of an on-seller. Therefore, the current regime increases the regulatory burden and costs on licensed electricity retailers but offers no additional protection or certainty to third party life support consumers supplied by on-sellers.

In Synergy's view these amendments are necessary in order to ensure that third party life support consumers receive a level of protection that is commensurate to that of a life support customer supplied, under the Code of Conduct, by a licensed electricity retailer. Therefore, Synergy supports the recommendations in the Report to:

1. Remove the requirements for licensed retailers to collect and maintain details of a third party who requires life support equipment.
2. Amend the Exemption Order and Caravan Park Order to, reasonably, require on-sellers and caravan park operators to collect and maintain details of their residents who require life support equipment and pass on planned outage notifications received from a network operator.

## **Additional matters to be addressed by the Exemption Order amendments**

In Synergy's view it is important that third party life support consumers receive a level of protection that is commensurate to that of a life support customer supplied under the Code of Conduct in terms of:

1. The accurate and timely recording of life support details
2. Certain and prompt notification of planned outages.
3. Protection from disconnection.

The proposed amendments are important and go a long way to address the existing gap in ensuring third party life support consumers receive reasonable notification of a planned supply outage. However, life support consumers would also, reasonably, be seeking certainty that their details are recorded correctly and promptly and that they would also receive prompt notification of a planned supply outage by their on-seller. The proposed amendments do not specify any time frames on when life support information must be recorded and how soon notifications must be provided to the life support consumer. Therefore, Synergy recommends the Office give consideration to how the proposed amendments can provide certainty that third party life support consumers will receive prompt notifications of planned supply outages, including whether the amendments must specify time frames for recording life support information and providing notifications of planned supply outages received from the network operator.

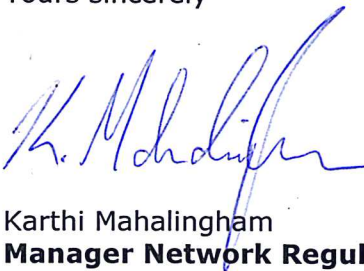
In Synergy's view third party life support consumers would also, reasonably, be concerned of being disconnected by on-sellers. Therefore, Synergy recommends the Office give consideration to ensuring that the proposed amendments provide third party life support consumers a level of disconnection protection that is commensurate to what is required under the Code of Conduct.

The amendments also need to include another requirement that ensures the arrangements will be effectively implemented and maintained. This level of assurance can be achieved through a range of measures. For example, the proposed amendment may require an audit of the framework put in place by on-sellers to give effect to the proposed amendments. Alternatively, the amendments may require on-sellers to provide a statutory declaration that they have implemented an effective process for recording life support information and providing prompt notifications of planned supply outages.

### **Consultation on drafting the amendments for the Exemption Orders**

In Synergy's view, specifying the amendments to the Exemption Orders to close the gap is the first important step towards ensuring certainty for third party life support consumers. It is also necessary that the drafting of the amendments are consistent with the operation of the Code, Code of Conduct and the Quality and Reliability of Supply Code<sup>5</sup>. For example, in order to assist the retailer and network operator to comply with its obligations under Code to keep the metering database accurate, it is important the amendments place a clear obligation on the on-seller to notify the licensed retailer if a consumer at its premises requires life support equipment or no longer requires life support equipment. Therefore, Synergy recommends that the Office conducts a consultation on the drafting of the amendments.

Yours sincerely



Karthi Mahalingham  
**Manager Network Regulation & Compliance**

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<sup>5</sup> Electricity Industry (Network Quality and Reliability of Supply) Code 2005.

