Western Australia

Electricity Industry (Customer Contracts) Amendment Regulations 2021

Contents

1.	Citation	1						
2.	Commencement	1						
3.	Regulations amended	1						
3.	Terms used in these regulations	1						
4.	Parts 2 and 4 not to apply to certain contracts	3						
	Part 2 — General requirements for							
customer contracts								
5.	Format and expression	4						
6.	Duration of contract	4						
7.	Details of retailer	4						
8.	Description of goods and services	4						
9.	Customer's obligation to pay for electricity	4						
10.	Interference with network equipment	5						
11.	Disconnection and reconnection	5						
12.	Benefit changes	5						
13.	Prices	6						
14.	Billing	7						
15.	Termination	7						
16.	Amendment of contract	9						
17.	Assignment	9						
18.	Complaints	9						
19.	Confidentiality	10						
20.	Miscellaneous provisions	10						
21.	No contracting out of code of conduct	10						

Part 3 — Requirements for standard form contracts Division 1 — Requirements for all standard form contracts 23. Termination of contract by customer 12 24. Equipment ownership and responsibility 12 25. 12 Meter testing 26. Access to supply premises 12 existing 27. Customer entering supply premises 13 connection 28. Customer leaving supply premises 13 29. Matters beyond the control of customer or retailer 13 31. Payment difficulties and debt recovery 14 Division 2 — Security deposit requirements for certain standard form contracts 14 31A. **Application** Security deposits may be required from customers 14 31B. 31C. Amount of security deposit 16 31D. Treatment of security deposit 16 31E. Use of security deposit 17 31F. Obligation to repay security deposit 17 Failure to pay security deposit 31G. 18 Permission for retailer to carry out credit checks 19 31H. Part 4 — Requirements for non-standard contracts Division 1 — Requirements for all non-standard contracts 32. Cooling-off period for non-standard contracts 20 33. Termination of contract by customer 20 34. 21 Amendment of contract Information relating to expiry of fixed term 34A.

page ii Consultation Draft

Division 2 — Security deposit requirements for certain non-standard contracts

Security deposits may be required from customers

contract

Application

34B.

34C.

21

22

22

Contents

26

	Part 5 — Deemed contracts with default supplier	\
35.	Meaning of terms used in this Part	24
36.	Determination of default supplier	24
37.	Supply under deemed contract with default	
	supplier	24
38.	Default supplier to notify customer	25
	Part 6 — Miscellaneous	
39.	Exception for section 54(1)	26
40.	Requirement to offer to supply electricity under	

standard form contract

Consultation Draft page iii

Made by the Governor in Executive Council.

1. Citation

These regulations are the *Electricity Industry (Customer Contracts) Amendment Regulations 2021.*

2. Commencement

These regulations come into operation as follows —

- (a) regulations 1 and 2 on the day on which these regulations are published in the *Gazette*;
- (b) the rest of the regulations on the day after that day.

3. Regulations amended

These regulations amend the *Electricity Industry (Customer Contracts) Regulations 2005*.

[The following text is the Electricity Industry (Customer Contracts)
Regulations 2005 showing proposed amendments in track changes. A
formal amending instrument will be drafted at a later stage.]

3. Terms used in these regulations

In these regulations, unless the contrary intention appears — **business day** means a day that is not a Saturday, Sunday or public holiday;

code of conduct has the meaning given to that term in section 78:

customer has the meaning given to that term in section 47; *customer contract* means a standard form contract or a non-standard contract;

distributor, in relation to a customer, means the person holding —

- (a) a distribution licence; or
- (b) an integrated regional licence,

for the distribution system through which electricity is supplied to the customer;

fixed term contract means a non-standard contract that is expressed to have effect for a definite period;

meter means equipment used to measure the quantity of electricity supplied to a customer;

network equipment means the meter and any wires, apparatus or other equipment used for or in connection with the supply of electricity and located upstream from the meter;

non-standard contract has the meaning given to that term in section 47;

price includes charge, fee and tariff;

provision of a customer contract means a provision, term or condition of a customer contract:

relevant corporation means the Electricity Generation and Retail Corporation or the Regional Power Corporation;

residential customer means a customer to whom electricity is supplied for residential purposes;

retailer, in relation to a customer, means the retail licensee selling, or intending to sell, electricity to the customer;

retail licensee has the meaning given to that term in section 47; **section** means a section of the Act;

security deposit means an amount of money provided as security against the customer defaulting on a payment due to the retailer under a customer contract;

standard form contract has the meaning given to that term in section 47;

supply means the supply of electricity to a customer; *supply premises* means the premises to which electricity is, or will be, supplied under a customer contract.

[Regulation 3 amended: Gazette 31 Mar 2006 p. 1344; 27 Dec 2013 p. 6474.]

4. Parts 2 and 4 not to apply to certain contracts

Parts 2 and 4 do not apply to a non-standard contract entered into before 31 March 2006.

Part 2 — General requirements for customer contracts

5. Format and expression

- (1) A customer contract must be in a format that makes it easy to read.
- (2) A customer contract must be expressed in clear, simple and concise language.

6. **Duration of contract**

A customer contract must specify the day on which the contract comes into effect and the period for which it has effect.

7. Details of retailer

A customer contract must specify the retailer's —

- (a) company name and business name (if different from its company name);
- (b) Australian Business Number or Australian Company Number;
- (c) registered office address and business address (if different from its registered office address);
- (d) postal address;
- (e) telephone number;
- (f) email address; and
- (g) internet website address.

8. Description of goods and services

A customer contract must give an exact description of the goods and services that the retailer will provide under the contract.

9. Customer's obligation to pay for electricity

A customer contract must require the customer to pay for electricity supplied under the contract.

page 4 Consultation Draft

10. Interference with network equipment

A customer contract must prohibit the customer from tampering with or bypassing network equipment or allowing any other person to do so.

11. Disconnection and reconnection

A customer contract must describe the circumstances in which —

- (a) the retailer has a right to disconnect supply; and
- (b) the retailer is required to reconnect supply.

12. Benefit changes

(1) In this regulation —

benefit change means a change to, or the expiry of, a benefit (such as a price discount) provided under a customer contract to the customer during a period that ends earlier than the date on which the contract will end.

- (2) If a customer contract provides for a benefit change, the contract must—
 - (a) require the retailer to inform the customer, not more than 40 business days and not less than 20 business days before the date of the benefit change, of
 - (i) the benefit change; and
 - (ii) the options for supply available to the customer after the date of the benefit change;

and

(b) describe the way in which the retailer is to give that information to the customer.



- (1) A customer contract must require any security deposit held by the retailer —
- (a) to be kept in a separate trust account; and
- (b) to be separately identified in the accounting records of the retailer.
- (2) A customer contract must require the retailer
- (a) to pay to the customer interest on any security deposit at the bank bill rate; and
- (b) to advise the customer of the bank bill rate if requested to do so.
- (3) A customer contract must provide for interest referred to in subregulation (2)(a) to accrue daily and to be capitalised every 90 days unless paid.
- (4) In subregulation (2)
 - bank bill rate means the average rate (rounded up to 4 decimal places) for bank accepted bills having a term equal to or nearest to 90 days as displayed on the "BBSW" page of the Reuters Monitor System at or about 10.30 a.m. Eastern Standard Time on the first day of the relevant 90 day period under subregulation (3) or, if the rate is not displayed on that day, the rate displayed on the most recent day before that day.
- (5) Subregulations (2) and (3) do not apply to a customer contract of a relevant corporation.

13. Prices

(1) A customer contract must describe the prices payable by the customer under the contract and the circumstances in which those prices are payable.

Part 2

- (2) A customer contract must describe the way in which the retailer
 - (a) publishes its prices; and
 - (b) gives notice of variations to its prices.
- (2) A customer contract must include details of the retailer's obligations under clause 10.1(3) of the code of conduct in relation to the provision of tariff information.

14. Billing

A customer contract must describe the procedures to be followed by the retailer in relation to the preparation, issue and review of the customer's bills.

15. Termination

- (1) A customer contract must
 - (a) deal with the circumstances in which the contract may be terminated by the retailer or the customer;
 - (b) deal with the procedures for and in relation to termination of the contract;
 - (c) without limiting regulation 13(1), describe any fees, charges or penalties payable by the customer if the contract is terminated and the circumstances in which they are payable; and
 - (d) deal with when termination of the contract takes effect.
- (2) Without limiting subregulation (1), a customer contract must authorise the retailer to terminate the contract if the customer
 - (a) becomes insolvent; or
 - (b) goes into liquidation; or
 - (c) becomes bankrupt; or
 - (ca) consumes more than 160 MWh of electricity in any period of 12 months; or

- (d) commits a breach of the contract for which the retailer has a right, under the contract or a written law, to disconnect supply.
- (3) Without limiting subregulation (1), a customer contract must include provisions that state that if the contract is terminated
 - (a) the retailer may arrange for a final meter reading and for disconnection;
 - (b) the retailer may issue a final bill to the customer;
 - (c) the retailer may, subject to the provisions of any written law, charge the customer a fee for the final meter reading, disconnection and final bill;
 - (d) the retailer or distributor may remove any network equipment at any time after the day on which the contract ends; and
 - (e) the customer must allow the retailer or distributor safe and unrestricted access to the supply premises for the purpose of removing network equipment.
- (4) If a customer contract (the *first contract*) provides for termination of the contract in circumstances where the customer has entered into another customer contract with the retailer, the first contract must not provide for the termination to take effect before the cooling-off period (if any) for the other customer contract expires.
- (5) In subregulation (4)
 cooling-off period has the meaning given to that term in
 (a) regulation 22(1) if the contract is a standard form contract; or
 (b) regulation 32(1) if the contract is a non-standard contract.
 - (6) If a customer contract (the *first contract*) provides for termination of the contract in circumstances where the customer has entered into a customer contract with another retailer, the first contract must not provide for the termination to take effect

page 8 Consultation Draft

before the customer is transferred to the other retailer in accordance with the Electricity Industry Customer Transfer Code 2004.

[Regulation 15 amended: Gazette 20 Sep 2016 p. 3966.]

16. Amendment of contract

- (1) A standard form contract customer contract must inform the customer that the provisions of the contract may be amended without the customer's consent.
- A non-standard contract must inform the customer that the provisions of the contract may be amended without the customer's consent to the extent that the amendment is required for the contract to remain consistent with a written law.
 - A customer contract must describe the process for amendment (2) of the contract including
 - any requirement for approval of a proposed amendment (a) by a particular person or body; and
 - the way in which an amendment will be published. (b)

17. Assignment

- A customer contract must deal with the assignment of rights and obligations under the contract by the customer and the retailer.
- Without limiting subregulation (1), a customer contract must set (2) out the circumstances in which the customer's rights and obligations under the contract may be assigned without the customer's consent.

18. **Complaints**

A customer contract must describe the procedures to be followed by the retailer in responding to a complaint made by the customer.

19. Confidentiality

- (1) A customer contract must specify the steps that are to be taken by the retailer to ensure that information held by the retailer about the customer is dealt with in a confidential manner.
- (2) A customer contract complies with subregulation (1) if the contract specifies
 - (a) that the retailer's privacy policy sets out the steps that are to be taken by the retailer to ensure that information held by the retailer about the customer is dealt with in a confidential manner; and
 - (b) the way in which the customer may obtain a copy of the retailer's privacy policy without charge.

20. Miscellaneous provisions

A customer contract must deal with the following matters —

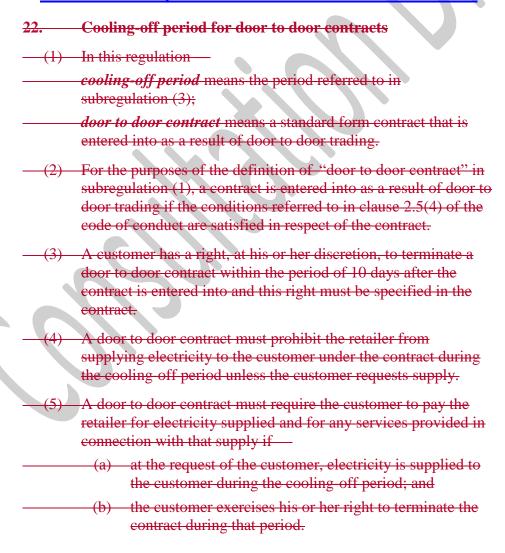
- (a) the law that governs the contract;
- (b) the effect of any invalid or unenforceable provision on the other provisions of the contract;
- (c) the way in which notice can be given under the contract and when such notice is deemed to be given;
- (d) the use of electronic communication by the retailer when dealing with the customer.

21. No contracting out of code of conduct

- (1) A customer contract must not include a provision that purports to exclude, restrict or modify the effect of the code of conduct unless the exclusion, restriction or modification is expressly authorised by the code of conduct.
- (2) A provision which contravenes subregulation (1) is of no effect.

Part 3 — Requirements for standard form contracts

<u>Division 1 — Requirements for all standard form contracts</u>



23. Termination of contract by customer

Without limiting regulation 15(1), a standard form contract must authorise the customer to terminate the contract at any time by giving notice to the retailer not less than 5 days before the day on which the customer wants the contract to end.

24. Equipment ownership and responsibility

A standard form contract must deal with ownership of, responsibility for, and rights and obligations in relation to, equipment used for or in connection with supply under the contract.

25. Meter testing

A standard form contract must inform the customer —

- (a) that the customer can ask the retailer to arrange for the meter to be tested; and
- (b) of the circumstances in which the customer is required to pay a fee for the test.

26. Access to supply premises

- (1) A standard form contract must require the customer to provide safe and unrestricted access to network equipment at the supply premises.
- (2) A standard form contract must require the retailer to take reasonable steps to ensure that any person who enters the supply premises on behalf of the retailer
 - (a) clearly displays a form of identification; and
 - (b) shows a form of identification to the customer if requested to do so.
- (3) In subregulation (2) —

form of identification means a card or other written material that identifies the person as an employee or agent of the retailer.

27. Customer entering supply premises — existing connection

A standard form contract must, in relation to an existing electricity connection, specify the method used to determine the quantity of electricity supplied to the customer at the supply premises if a final meter reading was not carried out on the day that the previous customer left the supply premises.

28. Customer leaving supply premises

A standard form contract must include provisions that deal with the following matters —

- (a) a requirement for notice to be given by the customer to the retailer before the customer leaves the supply premises;
- (b) the method used to determine the final charge payable by the customer for electricity supplied at the supply premises and any fee payable by the customer in respect of that determination;
- (c) the nature and extent of the customer's obligation to pay for electricity supplied at the supply premises.

29. Matters beyond the control of customer or retailer

A standard form contract must deal with the rights and obligations of the customer and the retailer if something happens that is beyond the control of the customer or the retailer.

30. Security deposits (1) A standard form contract must set out (a) the circumstances in which the retailer may ask the customer to pay a security deposit; (b) the method used to calculate the amount of any security deposit; and

Part 3 Requirements for standard form contracts

Division 2 Security deposit requirements for certain standard form

contracts

r. 31

- (c) the maximum amount that the retailer may ask the customer to pay as a security deposit.
- (2) Provisions for the purposes of subregulation (1) must include provisions which have the same effect in relation to a security deposit as section 62(11) to (15) of the *Energy Operators* (*Powers*) *Act 1979* have in relation to a security required under that Act.
- (3) This regulation does not apply to the standard form contract of a relevant corporation.

31. Payment difficulties and debt recovery

- (1) A standard form contract must deal with the rights and obligations of the customer and the retailer in circumstances where the customer has difficulty paying a bill.
- (2) A standard form contract must deal with the rights and obligations of the customer and the retailer in relation to debt collection.

<u>Division 2 — Security deposit requirements for certain standard form contracts</u>

31A. Application

This Division does not apply to a customer contract entered into by a residential customer.

31B. Security deposits may be required from customers

(1) In this regulation —

electricity ombudsman has the meaning given in section 92(1) of the Act;

electricity ombudsman scheme means the scheme approved under section 92 of the Act.

(2) A customer contract must state whether or not the customer is required to pay a security deposit to the retailer.

Requirements for standard form contracts Security deposit requirements for certain standard form contracts Part 3
Division 2

r. 31B

(3) Subject to subregulations (4) and (6), a customer contract may							
require a customer to pay a security deposit to the retailer —							
(a) at the time the customer asks the retailer to supply							
electricity to the customer under a customer contract;							
<u>and</u>							
(b) at any time during the term of the customer contract.							
(4) A customer contract that requires a customer to pay a security							
deposit must state that the customer is required to do so only							
<u>if —</u>							
(a) the customer owes an amount to the retailer in relation							
to supply at any premises, unless the customer has							
disputed the bill relating to that amount and the bill is							
subject to —							
(i) a review by the retailer; or							
(ii) a complaint to the electricity ombudsman;							
or							
(b) within 2 years before entering into the contract, the							
<u>customer has —</u>							
(i) fraudulently obtained supply; or							
(ii) consumed electricity intentionally and							
unlawfully;							
or							
(c) the retailer reasonably decides that the customer has an							
unsatisfactory credit history or an unsatisfactory history							
relating to paying for electricity supplied to the							
<u>customer.</u>							
(5) Subregulation (6) applies to a customer contract that requires a							
customer to pay a security deposit because of the retailer's							

reasonable decision referred to in subregulation (4)(c).

r. 31C

(6) The customer contract must state that the retailer is required to

(a) the retailer's decision that the customer has an unsatisfactory credit history or an unsatisfactory history relating to paying for electricity supplied to the customer, and the reasons for that decision; and

(b) the complaints handling process and the electricity ombudsman scheme.

31C. Amount of security deposit

contracts

inform the customer of —

A customer contract that requires a customer to pay a security deposit must require the retailer to ensure that the amount of the security deposit is not greater than 37.5% of the customer's estimated bills over a 12 month period, based on —

- (a) billing data relating to the customer; or
- (b) the average consumption of electricity by a comparable customer over a comparable 12 month period.

31D. Treatment of security deposit

(1) In this regulation —

bank bill swap rate means —

- (a) the Australian Stock Exchange Bank Bill Swap Rate
 (BBSW) having a term equal to or nearest to 90 days as
 published on the first day of the relevant 90 day period
 referred to in subregulation (3); or
- (b) if the rate referred to in paragraph (a) is not published on that day, the rate published on the most recent day before that day.
- (2) A customer contract that requires a customer to pay a security deposit must require the retailer
 - (a) to keep security deposits paid to the retailer in a separate trust account; and

page 16 Consultation Draft

Requirements for standard form contracts Security deposit requirements for certain standard form contracts Part 3
Division 2

r. 31E

- (b) to identify those security deposits separately in the retailer's accounting records.
- (3) A customer contract that requires a customer to pay a security deposit must require the retailer to pay interest to the customer on the security deposit, at the bank bill swap rate, that accrues daily and is capitalised every 90 days unless paid.

31E. Use of security deposit

- (1) In this regulation
 - security deposit includes any interest accrued on the security deposit, as described in regulation 31D(3).
- (2) A customer contract that requires a customer to pay a security deposit must state that the retailer may apply the security deposit in full or partial satisfaction of amounts owed by the customer to the retailer only if
 - (a) the retailer disconnects supply for non-payment of a bill and the customer no longer has any right to reconnection under the customer contract; or
 - (b) any amount owed by the customer relates to a final bill issued to the customer.
- (3) A customer contract that requires a customer to pay a security deposit must require the retailer, within 10 business days after applying the security deposit as described in subregulation (2)—
 - (a) to provide the customer with a written statement of how the security deposit was applied; and
 - (b) to repay to the customer any amount of the security deposit that was not used in that application.

31F. Obligation to repay security deposit

(1) A customer contract that requires a customer to pay a security deposit must require the retailer to repay to the customer, in accordance with the customer's reasonable instructions and

Consultation Draft

page 17

Part 3 Requirements for standard form contracts

Division 2 Security deposit requirements for certain standard form

contracts

r. 31G

subject to the contract's provisions described in regulation 31E, the amount of the security deposit, including any interest accrued as described in regulation 31D(3), within the period described in subregulation (2).

- (2) The customer contract must state that the security deposit is required to be repaid within 10 business days after
 - (a) the customer completes 2 years of payments for supply by the date specified in the relevant bills; or
 - (b) the customer leaves the supply address; or
 - (c) the retailer disconnects supply at the supply address at the request of the customer; or
 - (d) the customer transfers to another retailer.
- (3) The customer contract must state that, if the customer does not give reasonable instructions for the repayment of the security deposit and any accrued interest, the retailer is required to credit the amount to be repaid
 - (a) if subregulation (2)(a) applies to the repayment to the customer's next bill; or
 - (b) if subregulation (2)(b), (c) or (d) applies to the repayment to the customer's final bill.

31G. Failure to pay security deposit

A customer contract that requires a customer to pay a security deposit must state that, if the customer fails to pay the security deposit, in whole or in part, the retailer may, subject to the conditions of its trading licence and the requirements of the contract referred to in regulation 12—

- (a) disconnect supply or cause disconnection to occur; or
- (b) refuse to reconnect supply.

Requirements for standard form contracts Security deposit requirements for certain standard form contracts Part 3
Division 2

r. 31H

31H. Permission for retailer to carry out credit checks

- (1) This regulation applies if a customer contract requires a customer to pay a security deposit during the term of the customer contract.
- (2) The customer contract must require the customer to provide the retailer, if and when requested by the retailer to do so, with
 - (a) permission to investigate the customer's credit history; and
 - (b) any information held by the customer about the customer's credit history.

Consultation Draft

page 19

Part 4 — Requirements for non-standard contracts

Division 1 — Requirements for all non-standard contracts

32. Cooling-off period for non-standard contracts

- (1) In this regulation cooling-off period means the period referred to in subregulation (2).
- (2) A customer has a right, at his or her discretion, to terminate a non-standard contract within the period of 10 business days 10 days after the contract is entered into and this right must be specified in the contract.
- (3) A non-standard contract must prohibit the retailer from supplying electricity to the customer under the contract during the cooling-off period unless the customer requests supply.
- (4) A non-standard contract must require the customer to pay the retailer for electricity supplied and for any services provided in connection with that supply if
 - (a) at the request of the customer, electricity is supplied to the customer during the cooling-off period; and
 - (b) the customer exercises his or her right to terminate the contract during that period.

33. Termination of contract by customer

the contract to end.

— (1) In this regulation—

fixed term contract means a non-standard contract that is

expressed to have effect for a definite period.

(2) Without limiting regulation 15(1), a non-standard contract (other than a fixed term contract) must authorise the customer to terminate the contract at any time by giving notice to the retailer not less than 5 days before the day on which the customer wants

page 20 Consultation Draft

Requirements for non-standard contracts Requirements for all non-standard contracts Part 4
Division 1

r. 34

- (3) A fixed term contract must authorise the customer to terminate the contract at any time by giving notice to the retailer not less than 20 days before the day on which the customer wants the contract to end.
- (4) A fixed term contract must specify any amount payable by the customer, by way of penalty, in the event that the customer terminates the contract before the expiry of the term of the contract.

34. Amendment of contract

Without limiting regulation 16, a non-standard contract must require the retailer to notify the customer of any amendment to the contract.

34A. Information relating to expiry of fixed term contract

- (1) A fixed term contract must require the retailer to notify the customer—
 - (a) that the contract is due to expire on a day specified in the notification; and
 - (b) of the options for supply available to the customer after expiry; and
 - (c) of the terms and conditions that will apply after expiry
 unless the customer exercises one of the options referred
 to in paragraph (b); and
 - (d) of the way in which the retailer must give the notification referred to in this subregulation to the customer.
- (2) Subject to subregulations (3) and (4), the contract must require the notification referred to in subregulation (1) to be given not more than 40 business days and not less than 20 business days before the day on which the contract is due to expire.
- (3) If the term of the contract is less than one month, the contract must require the notification referred to in subregulation (1) to be given at the commencement of the term.

Consultation Draft

Electricity Indi	ustry (Customer Contracts) Amendment Regulations 2	021
Part 4	Requirements for non-standard contracts	
Division 2	Security deposit requirements for certain non-standard contracts	

r. 34B

- (4) The contract (the *current contract*) must state that the retailer is not required to give the notification referred to in subregulation (1) if the customer
 - (a) has already entered into a new customer contract with the retailer for the supply premises to which the current contract applies; or
 - (b) has given instructions to the retailer as to which of the options for supply referred to in subregulation (1)(b) the customer requires on the expiry of the current contract.

<u>Division 2 — Security deposit requirements for certain</u> non-standard contracts

34B. Application

Regulation 34C does not apply to a customer contract entered into by a residential customer.

34C. Security deposits may be required from customers

- (1) A customer contract must state whether or not the customer is required to pay a security deposit to the retailer.
- (2) A customer contract that requires a customer to pay a security deposit must state
 - (a) the method used to calculate the amount of any security deposit; and
 - (b) the maximum amount that the retailer may require the customer to pay as a security deposit; and
 - (c) the circumstances in which the retailer may apply the security deposit in satisfaction of amounts owed by the customer to the retailer; and
 - (d) the circumstances in which the retailer must repay the security deposit to the customer.
- (3) For the purposes of this regulation, regulations 31B, 31D(2), 31G and 31H apply as if any reference in those provisions to a

page 22 Consultation Draft

Requirements for non-standard contracts Security deposit requirements for certain non-standard contracts Part 4
Division 2

r. 34C

customer contract included a reference to a non-standard contract.



Part 5 — Deemed contracts with default supplier

35. Meaning of terms used in this Part

In this Part, unless the contrary intention appears — *connection point* means the point at which premises owned or occupied by a customer are connected to a distribution system; *default supplier* for a connection point means the default supplier determined for the connection point under regulation 36(1);

distributor means a person holding —

- (a) a distribution licence; or
- (b) an integrated regional licence authorising the operation of a distribution system.

36. Determination of default supplier

- (1) A distributor is required to determine from time to time the default supplier for each connection point that connects to a distribution system operated by the distributor.
- (2) A determination under subregulation (1) must be made in such a way that the default supplier for each connection point is the retail licensee identified by the distributor as supplying electricity at the connection point.
- (3) It is a condition of a distributor's distribution licence or integrated regional licence that the distributor must comply with the obligation in subregulation (1).

37. Supply under deemed contract with default supplier

If a customer commences to take a supply of electricity at premises without entering into a contract for the supply with a retail licensee, the electricity is deemed to be supplied under the standard form contract of the default supplier for the connection point in respect of those premises.

page 24 Consultation Draft

38. Default supplier to notify customer

- (1) Within 5 days after becoming aware of a customer taking a supply of electricity at premises in the circumstances referred to in regulation 37, the default supplier for the connection point in respect of those premises is required to notify the customer in writing
 - (a) that the default supplier is the default supplier for that connection point; and
 - (b) of the effect of regulation 37.
- (2) It is a condition of a default supplier's retail licence or integrated regional licence that the default supplier must comply with the obligation in subregulation (1).

Part 6 — Miscellaneous

39. Exception for section 54(1)

The licence condition provided for in section 54(1) is subject to the exception that a licensee may supply electricity to customers under a non-standard contract that does not comply with the Act if the contract is entered into before 31 March 2006.

40. Requirement to offer to supply electricity under standard form contract

- (1) In this regulation
 - *default supplier* has the meaning given to that term in regulation 35;
 - *relevant corporation* means the Electricity Generation and Retail Corporation or the Regional Power Corporation.
- (1A) Subject to this regulation, a retailer is required to offer to supply electricity under a standard form contract to a customer who requests supply.
- (1B) If the customer requests supply in relation to an existing electricity connection, the obligation in subregulation (1A) arises only in respect of the default supplier.
- (1C) If the customer requests supply otherwise than in relation to an existing electricity connection, the obligation in subregulation (1A) arises only in respect of a relevant corporation.
 - (1) A relevant corporation is required to offer to supply electricity under a standard form contract to a customer who requests supply on or after the day on which these regulations come into operation.
 - (2) The obligation in <u>subregulation (1A)</u> subregulation (1) does not arise if
 - (a) the premises of the customer requesting supply are not connected to a distribution system; and

page 26 Consultation Draft

- (b) there is no obligation under the *Electricity Industry* (*Obligation to Connect*) *Regulations 2005* regulation 4 for a distributor to attach or connect those premises to a distribution system.
- (3) The obligation in <u>subregulation (1A)</u> subregulation (1) does not arise if the customer requesting supply
 - (a) owes an amount of money to the <u>retailer</u>; and <u>relevant</u> corporation; and
 - (b) has not
 - (i) entered into an arrangement with the <u>retailer</u> relevant corporation for payment of the amount owed; or
 - (ii) complied with the terms of any such arrangement.
- (4) It is a condition of every retail licence and integrated regional licence held by a retailer that it must comply with the obligation in subregulation (1A) if that obligation arises in respect of the retailer.
 - (4) It is a condition of every retail licence and integrated regional licence held by a relevant corporation that it must comply with the obligation in subregulation (1).

[Regulation 40 amended: Gazette 31 Mar 2006 p. 1344.]

Clerk of the Executive Council

Consultation Draft