

25 February 2010

Manager
MCE Secretariat
Department of Resources, Energy and Tourism
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Canberra ACT 2601

By email: MCETMarketReform@ret.gov.au

Dear Sir or Madam

Thank you for the opportunity to provide comment on the Second Exposure Draft of the National Energy Customer Framework.

The Energy and Water Ombudsman (Victoria) (EWOV)'s submission is in two parts. In this letter we outline our position on some of the important changes since the First Exposure Draft and our major areas of concern. The second part is a table in which we provide more detailed comments on individual provisions in the National Energy Retail Law (NERL) and National Energy Retail Rules (NERR) as well as the attachments provided with the explanatory material.

Hardship Provisions

We strongly support the requirement that hardship policies have to be approved by the Australian Energy Regulator (AER). We note that the Essential Services Commission (Victoria) is currently conducting a review of certain aspects of retailers' hardship programs and suggest that the AER might take the results of this review into consideration when deciding on national hardship indicators. EWOV is also pleased to see that payment plans now have to be offered to a broader range of customers not only customers who have been formally identified as hardship customers.

De-energisation and disconnection

EWOV is pleased to see that the term disconnection is now used for warning notices and in the model contract terms. This will avoid customer confusion.

Provisions relating to marketing

EWOV welcomes the inclusion of the marketing provisions in the NERR. It is particularly positive to see the allowable times for marketing included. While the times are the same as currently prescribed by the Victorian Fair Trading Act, it is much easier to have them included with the other marketing rules.

Ombudsman Provisions

EWOV is pleased to see the new separate section dealing with small customer complaints and dispute resolution (Part 4 of the NERL). EWOV notes that concerns about these provisions were raised by some retailers during the workshop. However EWOV believes these concerns are unwarranted, as the provisions do not extend the existing power of the schemes.

Small compensation claims regime

EWOV strongly supports the inclusion of Part 7- small compensation claims regime, as we have argued in previous submissions that it would be a step back not to allow for any compensation.

Overall, there have been several positive changes, however EWOV remains concerned about the following areas in the NECF and believes they warrant careful consideration, as this is the last exposure draft.

Re-energisation after de-energisation

EWOV has previously expressed its concern about section 234 of the NERL and rule 615 and continues to be concerned. EWOV understands that retailers need to have a 'cut off' point that will allow them to begin debt recovery procedures, however 10 business days do not give a customer experiencing financial difficulties sufficient time to see a financial counsellor or take other steps to rectify the cause of the disconnection.

Retailer of last resort

When it comes to retailer of last resort (RoLR) events and regulatory arrangements, EWOV has two main concerns. First, a RoLR event can have an adverse impact on customers and this may result in complaints to retailers and EWOV. Second, we have to consider our ability to recover fees. We understand that the aim of the scheme is to ensure continuity of supply but continuity of customer rights and responsibilities also have to be considered. EWOV understands that a RoLR event may come at a certain cost to the RoLR but feels that fees to be paid by customers resulting from RoLR events should be eliminated or at least minimised. This is especially so for hardship customers who potentially will already have lost the protection offered by the failed retailer's hardship program.

Late Payment Fees

EWOV is concerned that there still is no provision which sets out that late payment fees should be limited to a retailer's administrative costs caused by the late payment even though the model contract terms allow a retailer to charge such fees.

Threshold for inclusion in the full suite of protection

EWOV is disappointed to see that the threshold remains unchanged. As outlined in previous submissions, we believe that it is wrong to assume that customers are in a better position to negotiate and protect themselves just because they are larger users and we are concerned that small business customers with annual usage exceeding 100 MWh/annum will not only be denied access to dispute resolution in jurisdictions where access is limited by a threshold but will also not be offered the protection under the NECF.

We trust the above comments are helpful. Should you require further information or have any queries, please contact Kerrie Milburn-Clark, Manager Public Affairs and Policy, on (03) 9613 5274 or at Kerrie.Milburn-Clark@ewov.com.au.

Yours sincerely



Fiona McLeod
Energy and Water Ombudsman (Victoria)

Comments - Second Exposure Draft of NECF

Draft National Energy Retail Law		
Part 1 – Preliminary		
Section	Subject Matter	Comment
102	Definitions of energisation and de-energisation	EWOV welcomes the addition of the term disconnection in the context of stopping the flow of energy without the customer’s consent. This will help to avoid customer confusion.
102	Definition of a hardship customer	EWOV continues to be concerned by this provision, as it does not seem to allow for identification by a third party such as a financial counsellor. Section 226 sets out that a <i>‘process to identify customers experiencing payment difficulties due to hardship’</i> is a minimum requirement for a retailer hardship policy and then refers to identification by the retailer and self-identification by the customer. Access to hardship programs should not be made unnecessarily difficult by an overly formal identification process. Self-identification can be very difficult for customers. Once the customer has taken the step of seeing a financial counsellor, the financial counsellor should also be able to identify the customer as a <i>‘customer experiencing payment difficulties due to hardship’</i> . We would like to see ‘by any means’ or ‘whether by the retailer, the customer or a third party such as a financial counsellor’ inserted.
113	Objectives	EWOV welcomes the addition of subsection (2) as an interpretative clause and does not agree with the view expressed during the workshop that it overturns the policy objective. While EWOV would have preferred to see a reference to the social responsibility of retailers and distributors as providers of an essential service as set out in our previous submission, we consider the addition of section 113(2) to be a workable compromise that makes it clear the objective of economic efficiency includes the development of consumer protections for hardship customers and other small customers.

Draft National Energy Retail Law		
Part 2 – Relationship between retailers and small customers		
Section	Subject Matter	Comment
213	Making market offer to certain small customers	EWOV is disappointed to see that this section remains unchanged. As stated in our previous submission, EWOV finds it hard to understand why the designated retailer should not have to make a standing offer to small market offer customers. This may present difficulties for start-up businesses without a credit history to obtain energy services.
221	Nature of explicit informed consent	EWOV welcomes the requirement for explicit informed consent, which is best practice in line with existing Victorian requirements. However, EWOV queries why section 221 does not make reference to a customer’s competence. The Victorian <i>Code of Conduct for Marketing Retail Energy</i> contains a definition of explicit informed consent that includes the requirement that consent needs to be given by a person ‘competent’ to do so. EWOV suggests that ‘explicit informed consent’ should be a defined term that includes a competence requirement to give more meaning to the wording.
223	No or defective explicit consent	EWOV welcomes section 223, as it brings clarification about the consequences of not obtaining explicit informed consent. In particular, EWOV welcomes section 223(5) which deals with the consequences of an invalid transaction that has resulted in a customer transfer. In our experience this scenario can cause confusion for customers and it is good to see this addressed by clarifying which retailer the customer is liable to pay if the invalid transaction has resulted in a transfer. It is good to see section 223(5)(b) which allows the customer to set off any amounts already paid to the new retailer rather than having to wait for a refund from the new retailer to then pay the original retailer. However, EWOV is seeking further clarification around the relationship of the NERL with <i>MSATS Procedures: CATS Procedure Principles And Obligations</i> . According to section 3.10 of the <i>MSATS Procedures</i> there is a 130 business day timeframe for retrospective transfers. Given that the customer has 12 months to raise the consent issue, this means that there could be a time where the customer under section 223(5) is liable to pay the original retailer even though the original retailer does not hold the billing rights for this period because it is outside the 130 day timeframe for retrospective transfers.
225	Customer	EWOV strongly supports the requirement that the AER has to approve hardship policies.

Draft National Energy Retail Law		
Part 2 – Relationship between retailers and small customers		
	hardship policies	
226	Minimum requirements for customer hardship policy	EWOV believes that the provision of energy efficiency advice should be one of the minimum requirements of a hardship policy. According to section 225(2) it is the purpose of a hardship policy <i>‘to assist hardship customers to better manage their energy bills on an ongoing basis’</i> . In situations where customers are finding it difficult to make payments that meet their consumption, energy efficiency advice can help to reduce consumption if combined with advice about programs or grants that help in sourcing energy-efficient appliances.

Draft National Energy Retail Law		
Part 4- Small customer complaints and dispute resolution		
Section	Subject Matter	Comment
401(1)	Definitions	As outlined in our covering letter, EWOV welcomes the addition of Part 4 to the NERL. EWOV notes that (vi) of this section refers to the decision of a distributor or retailer under Division 3 of Part 7. EWOV assumes this is a drafting error, as Part 7 only refers to distributors.
406	Functions and powers of energy ombudsman	<p>EWOV acknowledges the concerns expressed by retailers about 406(d) in the workshop but believes these concerns are unwarranted, as Part 4 does not extend the existing powers of ombudsman schemes. As an example, EWOV already has the power ‘to resolve’ complaints under the EWOV Charter. It is correct that clause 3.1 of the Charter lists ‘to receive, to investigate and to facilitate resolution of’ as the functions of the ombudsman but clause 6.1 of the Charter, which deals with the power to make binding decisions specifically states that: ‘the Ombudsman shall resolve a complaint’.</p> <p>EWOV would also like to see some clarification concerning the ombudsman’s role in dealing with systemic issues. We believe the term ‘advise’ is not clear enough and suggest the following wording:</p> <p>(e) to identify, take appropriate action on and advise on systemic issues as a means of preventing complaints and disputes.</p>

Draft National Energy Retail Law		
Part 5 – Authorisation of retailers and exempt selling regime		
Section	Subject Matter	Comment
516	Deciding transfer application	EWOV is seeking clarification about what happens to outstanding ombudsman charges. Is the transfer of liability for outstanding ombudsman complaints included in the arrangements outlined in section 516(2)(b)?

Draft National Energy Retail Law		
Part 7 – Part 7 – Small compensation claims regime		
Section	Subject Matter	Comment
701(2)	Small compensation claims regime	EWOV welcomes the inclusion of the regime, which will allow customers to receive compensation from the distributor without having to establish fault, negligence or bad faith.
720	Rejection of claims	EWOV notes section 720 allows a distributor to reject a claim for compensation if the distributor reasonably believes that occurrence of the claimable event was not established or the loss was not established. EWOV is concerned that this may defeat the purpose of the small compensation claims regime as it seems to put the onus back on the customer. Clause 2.4 of the Victorian Voltage Variation Guideline only allows the distributor to dispute a claim when it is greater than the scheduled amount, it was made by a repeat claimant or the distributor reasonably considers the claim forms part of an abuse of the guideline. EWOV is seeking clarification under which circumstances distributors can claim they ‘reasonably believe’ the event or loss was not established?

Draft National Energy Retail Law		
Part 15 – General		
Section	Subject Matter	Comment
1501	Immunity in relation to failure to supply energy	EWOV believes this clause is too broad and one-sided as it requires the customer to establish bad faith or negligence. EWOV acknowledges that liability should be excluded where the failure to supply is due to circumstances outside the control of the distributor. EWOV notes that Part 7 of the NERL now allows the application of a no fault scheme for property damage in certain circumstances and welcomes this.

Draft National Energy Retail Rules		
Part 1 – Preliminary		
Rule	Subject Matter	Comment
105 (3)	Aggregated application of upper consumption threshold by agreement	In EWOV's view a customer can only give 'informed consent' if a customer is provided with sufficient information regarding any general implications such as a potential change in charges, termination requirements, the loss of certain customer protections for small customers, etc.

Draft National Energy Retail Rules		
Part 2 – Customer retail contracts		
Rule	Subject Matter	Comment
208	Responsibilities of designated retailers	EWOV would welcome a reference in section 208 (1) (b) regarding available external dispute resolution processes as provided by jurisdictional energy ombudsmen. Suggested wording is the insertion of ‘and access to the Ombudsman’ after ‘dispute resolution procedures’. As stated previously, 208 (1) (c) should also include information about a life support register, as it is crucial that customers are made aware of this as early as possible to ensure that the register is up to date.
211	Bill smoothing	EWOV is seeking clarification as to why this rule does not apply to market retail contracts.
212	Frequency of bills	EWOV does not understand why this rule would not apply to market retail contracts. It is difficult to see why a retailer would want to bill less than three monthly and with the introduction of smart meters with remote reading capabilities billing cycles could become shorter in general.
213	Contents of bill	45% of EWOV complaints in the 2008/09 financial year were about billing issues. This reinforces the importance of getting content on bills right without causing customer confusion. EWOV is concerned to see that rule 214 (1) (j) no longer requires the provision of information about the value of the meter reads at the start and end of the billing period and refers to ‘metering data’ without defining this term. As previously stated, it has been an issue in Victoria that where customers have an interval meter, only a consumption figure has been provided. EWOV believes distributors should be providing start and end readings to the retailer, as well as consumption data. EWOV would also welcome the inclusion of a usage graph allowing a customer to compare their previous with current usage. This can be helpful when customers are querying higher than usual bills. EWOV suggests a provision that requires retailers to include details of the relevant jurisdictional ombudsman once a year on a bill, as is current practice in Victoria.
214	Pay-by date	Again, EWOV is seeking clarification why the rule does not apply to market retail contracts. It would be a useful tool for small market offer customers to budget within set timeframes.

Draft National Energy Retail Rules		
Part 2 – Customer retail contracts		
216	Historical billing information	EWOV believes that customers should have access to two years’ billing information as is current best practice in Victoria. Having access to two years of data would give customers, who are trying to understand a higher than expected bill, a better picture of their consumption pattern.
217	Billing disputes	EWOV is seeking clarification whether 217 (7) means that the retailer is to inform the customer about the opportunity to lodge a complaint with the relevant ombudsman after the review has been completed or inform the customer when they first ask for the review. It seems too restrictive for the customer to have to wait for the completion of the review if they are dissatisfied with the information or lack of progress. EWOV also believes it would be helpful to include a definition of ‘faulty’ meter here in the rules to promote transparency.
218	Undercharging	EWOV is concerned by the apparent inconsistency between this rule and clause 12.1 of the model terms and conditions for standard retail contracts. The rule refers to the ‘small customer’s fault or act or omission’, while the clause talks about ‘our, or your distributor’s act or omission’. It is EWOV’s understanding that rules and model contract terms should mirror each other and not contradict each other. In this instance we would prefer to see the wording in the model contract used in the rule.
223	Shortened collection cycles	<p>EWOV is disappointed to see that the shortened collection cycle remains part of the NECF, as we have previously outlined our view that they are not helpful to customers and only marginally helpful to retailers.</p> <p>If the shortened collection cycle has to be included in the NECF it should provide the same timeframe as currently applicable in Victoria: reminder notices for three consecutive bills or disconnection warnings for two consecutive bills.</p> <p>We welcome that retailers are not to place customers experiencing payment difficulties on a shortened collection cycle (subrule 223(2)(a)), however we are concerned how retailers will identify these customers. In our experience customers who receive consecutive reminder and warning notices can often be the ones who are ‘experiencing payment difficulties’ but they may not always advise the retailer of this. How will retailers ensure that these customers are not placed on a shortened collection cycle?</p>

Draft National Energy Retail Rules		
Part 2 – Customer retail contracts		
		EWOV suggests that ombudsman details be included on the notice the retailer is required to give under 222(3).
223	Request for final bill	EWOV believes that the wording ‘use its best endeavours’ is too vague and that there should be a time limit to organise a final meter reading to manage customer expectations. EWOV suggests that this section should also apply to market retail contract customers.
225	Requirement for security deposit	EWOV refers to previous comments made with regard to payment of a security deposit as a condition of supply. Given our experience with customers who were asked for security deposits because they had no credit history, we believe that ‘unsatisfactory credit rating’ should be a defined term. EWOV welcomes the clarification that the retailer cannot ask an identified hardship customer for a security deposit. EWOV again suggests that a threshold amount as set out in the Victorian Energy Retail Code (clause 8.1a allows for a security deposit request if the amount owed on a utility account is more than \$120) be included. EWOV notes that it is still not clear under which circumstances the security deposit can be paid in instalments.
226	Payment of security deposit	EWOV notes that this rule now no longer makes reference to payment of the security deposit by instalments. Rule 225(3) refers to the retailer offering the customer the option to pay in instalments. Does this mean the customer can only pay in instalments when the retailer chooses to offer this? We do not understand why this rule would not apply to market retail contracts where these contracts have a provision relating to security deposits.
227	Amount of security deposits	In line with the above comments, EWOV notes that this rule should be applicable to market retail contracts.
234	Termination of standard retail contract	EWOV believes that 234(1) (e), terminating a contract after 10 days of disconnection can lead to harsh consequences for the disconnected customer. Once the contract is terminated the retailer will be able to ask for a security deposit and also offer a new contract with potentially less favourable

Draft National Energy Retail Rules		
Part 2 – Customer retail contracts		
		contract terms. EWOV notes the comments made during the workshop that disconnection is a last resort and customers have had several opportunities to address the issue before their supply is disconnected; however this does not fully take into account individual customer circumstances. For some customers the actual disconnection may be the last straw that encourages them to take action and for example contact a financial counsellor. It should be noted that there currently are waiting times of up to six weeks to see a financial counsellor. If the amount outstanding is substantial it will be very difficult for customers experiencing financial difficulties to find funds to pay the full amount within ten business days. If the timeframe is not to be extended, it would be very useful to clarify what steps a customer is required to take to be re-connected within the ten business days.
237	Termination of market retail contract	EWOV welcomes the requirement that a retailer has to notify a small customer with a market retail contract that the contract is due to expire. EWOV supports the information requirements listed in (3).
244	Requirement for and timing of disclosure to small customers	EWOV believes that the obligation on the retailer should be that the information must be provided <u>before</u> the formation of the contract and (b) should only apply where this is not possible.
251	Contact with small customers	EWOV welcomes the obligation on the marketer to provide the name and contact details of the retailer on whose behalf the marketer is acting.

Draft National Energy Retail Rules		
Part 3 – Customer hardship regime		
Rule	Subject Matter	Comment
303	Waiver of late payment fee for hardship customer	EWOV is pleased to see that late payment fees are to be waived for hardship customers, but continues to be concerned about the lack of a general rule about late payment fees which would limit them to a reasonable amount. The introduction of unregulated late payment fees is to the disadvantage of consumers nationally. There is wording in the Victorian <i>Energy Retail Code</i> which is suitable: ‘The amount of any late payment fee must be fair and reasonable having regard to the related costs incurred by the retailer’. We suggest the introduction of a separate section setting out this requirement.

Draft National Energy Retail Rules		
Part 4 – Relationship between distributors and customers		
Rule	Subject Matter	Comment
404	Information to be provided by distributor to customer	It is good to see that the distributor now has an obligation to publish the information listed in rule 404 on its website. EWOV is particularly pleased about 404(1)(h) (ii) which requires the distributor to include contact details for the ombudsman on its website. While an obligation to publish information on a website is an improvement compared to only having to provide information on request, EWOV believes that a yearly letter to customers explaining the distributor’s role would be even more helpful ¹ . Many customers only deal with their retailers and would be unaware of the role of the distributor and also of their own obligations under the deemed connection contract. Does the summary of rights include information about the small customer small claims scheme?
407	Liabilities and immunities	EWOV suggests that the protection offered by this rule be extended to small market offer customers as small business owners may not have the necessary negotiating power to discuss any liability and

¹ See the Essential Services Commission (Victoria)’s recent final decision about Electricity Distributors’ Communications in Extreme Supply Events adding a new clause to the *Electricity Distribution Code* requiring a yearly letter from distributors.

Draft National Energy Retail Rules

Part 4 – Relationship between distributors and customers

immunity issues with their local distributor.

Draft National Energy Retail Rules		
Part 6 – De-energisation of premises		
Rule	Subject Matter	Comment
605	De-energisation for not paying bill	Given the serious implications of an actual disconnection of supply, EWOV believes that a retailer's 'best endeavours' should consist of two different methods of contacting the customer, one of which should be outside business hours. EWOV also suggests that it would be best practice to give preference to contact methods like phone or personal contact which would provide an opportunity to discuss the customer's circumstances and offer assistance if required. Subrule 605(2) refers to two previous payment plans in the previous 12 months. It would be beneficial to clarify that these payment plans were established after an assessment of the customer's capacity to pay as set out in rule 302(1) and to include the information in 302(2) to avoid any doubt of what was offered to date.
610	When retailer must not arrange de-energisation	EWOV is pleased to see that the drafting error in subrule 610(5) has been amended and this important rule now applies to market retail contracts as well. EWOV suggests that de-energisation should also not proceed when the customer has lodged a complaint directly with the retailer related to the reason for the proposed disconnection and the complaint remains unresolved.
615	Obligation on retailer to arrange re-energisation of premises	EWOV is uncertain about the implications of the period of 10 business days mentioned in this rule. Does it mean that if the customer is not able to rectify the matter within that period, their request for re-energisation will be treated as a new connection? This could be seen as punitive, given that it is in addition to rectification and the payment of various charges.

Draft National Energy Retail Rules		
Part 7 – Life support equipment		
Rule	Subject Matter	Comment
703	Distributor obligations	EWOV regards this as a clear and useful statement of distributor obligations in respect of premises where there is life support equipment. To provide for timely information provision, EWOV suggests that a distributor must ‘as soon as practicable’ perform actions outlined in subrules 703(2)(a)-(c).

Draft National Energy Retail Rules		
Part 8 – Prepayment meter systems		
Rule	Subject Matter	Comment
802	Disclosure requirements	EWOV is surprised to see that the disclosure requirements do not include the tariff which the customer will be paying if they choose a prepayment meter. This is fundamental information the customer requires to make an informed decision.
816	Payment difficulties and hardship	EWOV supports this provision but believes that the retailer should also have to tell the customer about its hardship program and the availability of payment plans should they decide to swap to a standard meter.

Draft National Energy Retail Rules		
Part 9 – Exempt selling regime		
Rule	Subject Matter	Comment
908	Exempt selling policy principles	EWOV is surprised to see that the policy principles are no longer set out in this division. In our previous submission we suggested that the matter of the lack of access to ombudsman schemes for exempt customers should be further clarified. We note that this has not been addressed. What are the objectives of an exempt selling regime? This still requires clarification.

Draft National Energy Retail Rules		
Part 10 – Retail market performance reports		
Rule	Subject Matter	Comment
1003	Contents of retail market performance report – retail market activities report	EWOV welcomes the improvements made to 1003 but notes that the number of ombudsman complaints received is still not included. We recommend this be included in the reporting requirements.

Draft National Energy Retail Rules		
Part 11 – Consultation for the National Energy Retail Framework		
Rule	Subject Matter	Comment
1201	Customer Consultative Group	EWOV notes that the rule does not mention appointment of observers. Ombudsman representatives often participate in Customer Consultative Groups as observers. EWOV suggests that this is reflected by including 'observers'.

Draft Model Standard Retail Contract		
Clause	Subject Matter	Comment
4.2(a)(v)	When does this contract end?	Again, EWOV considers that this term could have a harsh impact on customers struggling to raise enough money to obtain re-energisation. The possible impacts are that the customer could be asked for a security deposit and also be faced with less favourable contract terms on a new contract.
6.3	Preconditions	EWOV continues to be concerned that this clause is very broad and does not provide sufficient information to the consumer. To make it meaningful and useful it should include examples of the kinds of pre-conditions (acceptable identification, payment of connection charges etc) the retailers may ask about.
6.4	Life support equipment	EWOV believes that there should be an obligation on the retailer to advise of available rebates when a customer registers life support.
7	Our liability	As explained in detail in our previous submission, we consider this clause as one-sided and suggest that at the very least, subclause 7 (2) (b) should also conclude with the phrase '(...), unless we have acted negligently or in bad faith'.
8.2	Variations to tariffs and charges	EWOV notes that customers would not necessarily check the website of their retailers regularly for tariff variations. EWOV queries whether there should be an additional requirement on retailers to publish standing offer tariffs and variation to tariffs in newspapers to give customers a better chance to be informed.
8.3	Information relating to eligibility for type of tariff	EWOV is disappointed to see that no changes have been made to this clause. We believe the current wording puts too much onus on the customer where there also should be an obligation on the retailer who is aware of the customer's usage for billing purposes and will often be in a better position to know when the usage pattern could enable a tariff change. EWOV recommends inclusion the following paragraph: (b) If you think you satisfy all the conditions applying to another type of tariff, you can ask us to review your current circumstances to see whether that type of tariff can apply to you.
10.4	Late payment	As set out in the accompanying letter, EWOV believes that a rule needs to included which would

Draft Model Standard Retail Contract		
Clause	Subject Matter	Comment
	fees	limit a late payment fee to a retailer's reasonable administrative costs or prohibit it from being a punitive amount and the model terms and conditions should mirror the rules.
14	De-energisation of supply	EWOV welcomes the list of situations where de-energisations cannot take place, however we believe it should mirror rule 610 and also refer to when there is an open ombudsman complaint relating to the reason for the de-energisation. Also in line with our comments on rule 610 it should also include open complaints with the retailer relating to the reason for de-energisation.
15	Re-energisation after de-energisation	Consistent with our comments on Rule 615 and 616, EWOV believes a 10-business day timeframe for customers experiencing financial difficulties may be too short to collect the necessary funds to rectify the reason for re-energisation.
17	Notices and bills	EWOV believes that 17(b) (i) and 9.4(a) are inconsistent. It should be clear that notices and bills should only be sent to a customer's nominated contact address. A retailer may additionally send notices and bills to a supply address to further ensure receipt.

Draft Model Standard Connection Contract		
Clause	Subject Matter	Comment
7	Not liable	EWOV is surprised to see that there is no mention of the Small Compensation Claims Regime in the model terms. The regime will only be beneficial if customers are aware that it exists.
8.1	Notification	EWOV is disappointed to see that this clause does not mention any notification requirements. While regular meter reads for billing purposes may not require a notification, EWOV assumes that activities such as clearing vegetation (i) would usually be preceded by a notification advising the nature of the works and how long access will be required to allow the customer to make the necessary arrangements. EWOV suggests that a requirement for the distributor to provide reasonable notification, except in emergencies, be added to 8.2. The notification should include date and time, timeframes, nature of the works and contact details.
9.6	Life support	This clause seems inconsistent with 6.4. Clause 6.4 sets out that customers have to register life

Draft Model Standard Connection Contract		
Clause	Subject Matter	Comment
	equipment	support equipment with their retailer, while 9.6 states 'If your premises are registered with us, either by you or your retailer'. This is confusing because it gives the impression that customers can register directly with the distributor. Given the importance of maintaining accurate registers, customers should register with the retailer who then advises the distributor.
11.3	Limitations on disconnection	EWOV suggests adding the following: We may disconnect your premises only if you do not have an open complaint with the ombudsman relating directly to the cause of disconnection.
12.1	You and your obligations	EWOV is concerned that the 10 business day timeframe may not be enough time for customers experiencing financial hardship to gather the necessary funds required for reconnection.
13	Notices and bills	Notices and bills should be sent to a customer's nominated contact address. In addition, a distributor can send them to the supply address.

Attachment A: Connections Framework
<p>EWOV welcomes the new connections framework adopting a contractual approach with the terms and conditions of the standing basic and standard connection offers becoming 'additional terms and conditions' of the deemed standard connection contract after acceptance. This means all relevant terms and conditions will be contained in a single contract, which should make it easier for customers to understand their rights and responsibilities. EWOV is pleased to see a set timeframe of five business days within which the distributor must respond to a preliminary enquiry and the information the response has to contain (clause 5A.D.2). Having set response timeframes will assist in managing customer expectations. One issue raised during the workshop that may require further clarification, was the question of 'successor in title'. Clause 6.8 of the deemed connection contract deals with a customer's obligation if they have a small generator such as a solar panel but it is not entirely clear what happens to the terms and conditions when a new customer moves into a property with an existing solar installation.</p>

Attachment B: Customer Registration and Transfer

EWOV welcomes the proposed inclusion of provisions to support customer registration and transfer, as this is an area that gives rise to customer complaints. We are pleased to see that the rules will require a transfer to be based on an actual meter read, as this can reduce the risk of billing inaccuracies. We also support the obligation on a retailer to advise customers if the transfer does not occur on the expected date, as this will help customers understand which retailer has the right to bill them.

Cooling off

EWOV is concerned to see that the rules will allow for a transfer to be lodged before the expiry of the cooling off period. 13% of transfer cases EWOV received in 2009 were in the issue category transfer>cooling off rights. In 66% of these cases customers expressed dissatisfaction about their cooling off rights not being actioned by retailers. In Victoria transfers cannot be lodged during the cooling off period. EWOV is concerned that if retailers need to take further actions to reverse a transfer that has already been lodged there is more room for things to go wrong and potentially cause more complaints.

Objection to transfer

EWOV notes that it is proposed that a retailer cannot object to a transfer of a small customer to a new retailer for an outstanding debt. Under the *Electricity Customer Transfer Code* the retailer can reject a transfer on the grounds of a certified debt². EWOV understands that not having this objection provision will ensure customers are free to choose their retailer. However, EWOV is concerned that when customers transfer away with a large outstanding debt they will not be able to apply for the Utility Relief Grant because the account is closed, or get hardship assistance from the old retailer.

²This is defined as follows: *certified debt* means an aggregate sum of \$200 or more:(a) net of any refundable advance held by the *retailer*; and(b) not including any debt owing by a *customer* to a *retailer* for which restructured payment terms have been agreed by the *customer* and adhered to for at least threemonths,owing by a *relevant customer* to a *retailer* in respect of a *NMI* which:(a) is not in dispute;(b) has been outstanding for at least 40 *Victorian business days*;(c) is in respect of the supply and sale of electricity or *connection services*; (d) remains despite the *customer* having been offered, in writing, restructured payment terms for its repayment (of the sort contemplated by the Electricity Retail Code).

Attachment C: Retailer of Last Resort

EWOV is seeking clarification on the meaning of section 615(2) of the NERL. While it is clear that customers will still be liable to pay their final bill, it is not quite clear what happens, for example, to their right to dispute this bill. It is also not clear what happens to a customer who had a payment plan with the failed retailer. Do any rights the customer had in relation to the failed retailer transfer to the entity that administers the failed retailer? What access to internal and external dispute resolution do the customers of the failed retailer have?

EWOV notes that the publication requirements in rule 1123 do not include a requirement to directly contact the customers of the failed retailer. While the RoLR may consider it best practice to write to its new customers, it would be better to see as a regulated information requirement.

EWOV welcomes section 644 ((b)(ii) of the NERL which requires the RoLR plan developed by the AER to make provision for effective communications to energy ombudsmen. This is important as it will put the ombudsmen in a position to assist customers with queries.

Attachment D: Future smart meter customer protections

Presentation of historical billing data

EWOV supports the proposal that customers can choose whether they want a full set of billing data on which the bill was based or a summary of the billing data (including the relevant metering data) on which the bill was based. EWOV would like to see a more detailed explanation around the term 'summary' and what the retailer will have to include in this summary.

Remote disconnection

EWOV agrees that customers need to be informed of the possibility of remote disconnection and supports the proposal to add a clause in the model connection contract and, more importantly, on the disconnection warning notice.

Undercharging

EWOV agrees with the statement that with more frequent meter reading and remote reading retailers should be aware of any undercharge much sooner and that a more flexible approach connected to the customer's billing cycle could be beneficial.