

# Energy and Water Ombudsman (Victoria) Limited

ABN 57 070 516 175

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Manager, MCE Secretariat  
Department of Resources, Energy and Tourism  
GPO Box 9839  
CANBERRA ACT 2601

By email: [MCEMarketReform@ret.gov.au](mailto:MCEMarketReform@ret.gov.au)

Dear Sir or Madam

Thank you for the opportunity to make a submission about the Ministerial Council on Energy Standing Committee of Officials' *A National Framework for Regulating Electricity and Gas (Energy) Distribution and Retail Services to Customers (June 2008)*.

This submission by the Energy and Water Ombudsman (Victoria) (EWOV) is in two parts. This letter contains our response to the *Policy Response Paper*, highlighting particular areas of agreement or concern. The second part is the *Table of Recommendations*. We have inserted comments into the Table to set out where we support the recommendations and where we differ.

## Section 2: Governance Model

EWOV considers that on the whole the Standing Committee of Officials (SCO) has proposed a sound and constructive framework. The contractual model, with model terms to be set out in the Rules, is a sensible approach which draws upon the experience of different approaches used in the various jurisdictions (section 2.2 of the Policy Response Paper). EWOV also supports the SCO's approach of a single set of rules for the national customer framework (section 2.1).

### *Metering services*

EWOV notes the comments in section 2.4 about joint services (metering), but considers nonetheless that such services should be one of the customer distribution services. We take the point that jurisdictional practices differ, but in the light of the Ministerial Council on Energy's (MCE) recent Communiqué (13 June 2008) which assigned responsibility for the deployment of smart meters to distributors, consider that this responsibility rests with distributors, at least for residential customers and small non-residential customers. It is important to clarify where the responsibility lies. Meter readings are the basis of bills, and are an essential part of the transfer process. Without clarity on the responsibility for this, EWOV foresees complaints and difficulties.

### *Liability between parties*

EWOV strongly believes that SCO has missed an opportunity to adopt something like Victoria's *Electricity Industry Guideline No. 11 Voltage Variation Compensation* nationally, instead opting for principles that will lead to disputes and unnecessary costs for both distributors and customers (section 2.7). In our experience, the Guideline allows for prompt resolution of disputes, caps the liability of distributors, and generally satisfies customers. The Guideline is not only a customer protection; it is also a benefit to distributors. Since its introduction in 2001, EWOV has not had to make any Binding Decisions<sup>1</sup> about this topic, an immense saving for both EWOV (whose costs go back to the scheme participants) and directly for the distributors. Contrast this with the situation in New South Wales: in the same period, the Ombudsman has had to make 60 Binding Decisions on such matters.

The Guideline works to the advantage of all parties and should be considered for national adoption.

### **Retailer-customer arrangements**

#### *FRR model for the obligation to supply*

EWOV appreciates the reasons for SCO adopting the Financially Responsible Retailer (FRR) model for designating the retailer responsible for the obligation to offer supply, but echoes the comments made at the Workshop on 7 July 2008 about the possible difficulty for consumers trying to find out who the FRR is. This is illustrated by a case EWOV received earlier this year (C/2008/1954). The customer had bought a business in May 2007 and did not know who the retailer for it was. Nor did she receive any bills. She called the distributor, but it only provided her with the meter's National Metering Identifier (NMI) and left it to her to phone around retailers to find out if they were the retailer for that NMI. She phoned all the retailers she knew about, and it wasn't until January 2008 that she found out who the retailer was. Had the business been on a demand tariff, this could have been ruinous for it. There will need to be clear responsibilities on distributors to provide the FRR information and also to publicise that they are the entities who can provide it.

#### *Small customer consumption thresholds*

EWOV wishes to comment on 3.1.2, *Customers who benefit from the obligation to supply*. It believes that the lowering of the electricity threshold from 160 MWh per annum to 100 MWh will disadvantage a number of customers who need the protection of both the obligation to offer supply and the consequential protections. It notes that in choosing this threshold, the SCO has chosen the lowest threshold in all the jurisdictions, with 160 MWh per annum clearly being the most common threshold (five out of the eight jurisdictions have 160 MWh).

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<sup>1</sup> Binding Decisions involve the Ombudsman making a determination that is binding on the relevant scheme participant. It is the last resort, and each decision involves careful research, legal advice and, often, technical advice. The costs of a Binding Decision are nearly always much greater than the amount in dispute.

The threshold is not only important for access to regulated prices. It is important for access to dispute resolution in jurisdictions where this is governed by a threshold. In EWOV's experience, it is just wrong to assume that customers with large usage are able to negotiate successfully and equally with energy retailers. For example, EWOV received a case on 14 February 2008 (C/2008/3101) in which the proprietor of a convenience store had been trying to resolve a matter since April 2007. He had been receiving bills five times their previous size since changing to a new supplier and had been unsuccessful in directly resolving the matter. EWOV's investigation was able to establish that the new supplier had been billing on five registers of the interval meter instead of the two billable ones, leading to bill reductions of over \$16,500. This customer with substantial usage needed access to external dispute resolution services.

EWOV notes the comment on page 29 of the Policy Response Paper that "SCO believes the consumption threshold that distinguishes small and large non-residential customers should be reviewed over time with the objective of reducing the small customer thresholds". It is surprising that SCO is prejudging the outcome of such reviews. It is to be hoped that in conducting the review, attention will be paid to the many examples from Ombudsman offices of businesses that are large users but nevertheless not informed or confident consumers.

*Obligations relating to deemed supply arrangements*

EWOV has significant concerns with two aspects of these arrangements:

1. the lack of an upper limit on a deemed tariff
2. putting customers whose contract has come to an end on a deemed tariff that is uncontrolled.

At the Workshop on 7 July 2008, the view was put by some participants that a high deemed tariff is "an incentive" to customers to regularise their arrangements. EWOV agrees with the principle that customers should set up energy accounts, but such a punitive approach makes no allowance for the circumstances in which that may not be a reasonable expectation: customers escaping domestic violence, previously homeless people moving into transitional housing, people with intellectual disabilities or mental illnesses etc. It also does not take account of the situation where a customer has in fact arranged an account with other than the FRR and for some reason outside that person's control the transfer is delayed or cancelled. An example of such an instance is a case recently resolved by EWOV: G/2008/4146. The customer moved into the property and contacted his retailer of choice to set up an account. However, he received 'to the occupant' letters from another retailer. He contacted his retailer of choice which put in three transfer requests over a period of about three months. Two of those requests were cancelled for reasons which remain obscure. The third was pending at the time the customer contacted EWOV. Clearly it would be quite unreasonable to charge customers who find themselves in this situation a high deemed tariff.

An uncontrolled deemed tariff for customers whose contract has ended appears even more punitive and unnecessary than it does for customers who have moved in and started to use energy without setting up an account. It is common business practice that it is the merchant who is responsible for informing a customer of when a contract is about to

expire and for offering terms for a new contract, and it appears to be quite unreasonable that customers whose contracts finish are put onto high tariffs. It is a matter about which EWOV receives complaints, especially from business customers who are no longer protected by a standing tariff. Again, a delay in transfer may expose a customer to these higher rates quite unjustly.

An example of this was a case received on 21 February 2008 (C/2008/3418). A representative of a company that operated a lounge said that his retailer had not informed him that his contract was about to expire. He received a bill where the rate (in cents per kWh) had changed from 7.26 peak and 3.3 off peak to 17.2 peak and 9.4 off peak. He had made numerous attempts to be charged at the same rate as his contract. After he came to EWOV the retailer offered him a \$2,000 credit provided he paid the rest of the bill.

In effect, Victoria already has a high deemed tariff for business customers who come off contracts. It is leading to disputes, unexpected expenses for businesses and acrimonious transfers. Price regulation for residential customers is due to finish as from 1 January 2009. There appears to be no merit in subjecting these customers to high deemed tariffs merely because they have come off contract. EWOV has had cases in which a customer has entered into a contract over the phone and was not sent a welcome pack. In this situation, the customer has no way of knowing that the contract is about to come to an end.

EWOV suggests that a compromise position is that in those jurisdictions where there is price regulation deemed customers should go onto the standing tariff for six months or until a contract is entered into. In jurisdictions without price regulation, the deemed tariff should be that retailer's published tariff. A higher tariff could be justified after six months, provided the retailer had sent the occupier specified notices.

#### *Terms and conditions of market retail contracts*

Table 3.2 - *Minimum terms and conditions for market retail contracts* – is a clear outline of the SCO's position, but it does not explain the reasons for making some elements required in standard retail contracts not required in market contracts. For example, it is not clear why the use of meter data as the basis for calculation of charges would not be a requirement for a market contract. What is the alternative to the use of meter data? Also, as noted in our comments on the *Table of Recommendations*, EWOV does not believe a shortened collection cycle is effective and therefore does not understand why it would be a minimum requirement in a market contract.

#### *Obligations relating to marketing conduct*

Generally EWOV supports the positions in the Policy Response Paper on this topic. However, EWOV maintains that in order to transfer, the consent of the account holder should be obtained, not just the consent of an 'authorised person'. Point 1.63 in the Table of Recommendations suggests that SCO is also of this opinion. Some difficult and persistent complaints would be avoided were this to be written into the rules relating to the making of market contracts.

### *Obligations in relation to hardship customers*

EWOV commends the SCO for “hardwiring” hardship provisions in the National Customer Framework Rules. It is an advance nationally that this be prescribed, even though some elements of the Victorian framework are absent from these provisions.

EWOV believes that SCO should give further consideration to at least a version of the Wrongful Disconnection Payment (WDP), perhaps capped and not applicable to holiday houses. It serves as a discipline on retailers to be rigorous and painstaking in their disconnection processes and to use disconnection as a last resort. This will be particularly important once there are smart meters in place: as disconnection will be able to be done remotely. It is hard to imagine that the Australian Energy Regulator (AER) will be in a position to give attention to the rights and wrongs of individual disconnections, so that, with this national framework, Victorian customers stand at risk of losing what has been a highly successful intervention in reducing the number of disconnections. To adopt a modified version of WDP would also have the advantage of making it less likely that individual jurisdictions will depart from the national framework in this area.

### **Distributor-customer arrangements**

Please see our comments in the *Table of Recommendations*, in particular on the limitations on disconnection. EWOV hopes it was an oversight by SCO that led to the omission of some standard limitations on disconnections (Fridays and the day before public holidays). EWOV also believes that disconnections should not take place the day before public holidays in the place where a retailer has its call centre. For example, a customer in New South Wales may not be able to be reconnected because it is a holiday in Adelaide where that retailer’s call centre is based.

We also note that customers dependent on life support equipment should not be disconnected. However, the maintenance of a register of life support customers does not appear to have been mentioned as either a retailer or a distributor responsibility. This omission needs attention.

### **Business authorisation**

EWOV’s concern in this area is with exempt entities. It would be anomalous if customers of exempt entities (who often have no choice in the matter) have fewer protections than customers of authorised retailers. In saying this, EWOV is cognisant of the difficulties in ensuring that those customers do have the protections. Therefore EWOV welcomes the intention to impose conditions on exemptions. It also welcomes the intention that the AER develop a register of exempt entities over time and that no exemption is to be considered as permanent. Access to dispute resolution for these customers is a difficult issue. Currently only caravan park residents in New South Wales have access to an industry ombudsman. No customers of exempt entities have access to EWOV and EWOV’s investigations of the feasibility of this suggest it is not straightforward. EWOV would welcome SCO or AER attention to this issue.

## **Enforcement and Statutory Objective**

EWOV supports the SCO approach to enforcement, welcoming enforceable undertakings and the use of lower courts.

EWOV notes the discussion of the Statutory Objective at the Workshop on 7 July 2008. In particular, we note the comments of SCO that it was not really available to it to modify this objective and that it had endeavoured to “hardwire” social policy outcomes into the Rules. Nevertheless, as a point of principle, EWOV believes that the Statutory Objective is too narrow and that it will cause problems down the track that it does not sufficiently allow for social and environmental outcomes.

## **Implementation and Transition**

There is nothing about dispute resolution in the examples given in the section of the Policy Response Paper. EWOV notes that ‘it is not practicable at this early stage to comprehensively identify all of the matters that may require transitional support’ (section 9.2), but wishes to take this opportunity to raise this area of transitional arrangements. Currently in Victoria, and in other jurisdictions, the specific provisions relating to dispute resolution schemes are in licences or other instruments that will be subsumed into national energy regulation. It is very important that none of the provisions relating to the nature and standards of dispute resolution be lost in the process of moving to national energy regulation. EWOV recommends that SCO meets with jurisdictional regulators and Ombudsmen to identify all the relevant provisions and to ensure that they are preserved in the national regime.

We hope the above comments are helpful to SCO, along with our comments on the Table of Recommendations. If you require further clarification, please contact Stephen Gatford, Manager Public Affairs and Policy, on (03) 9649 7599 or at [stephen.gatford@ewov.com.au](mailto:stephen.gatford@ewov.com.au).

Yours sincerely



**Fiona McLeod**  
**Energy and Water Ombudsman (Victoria)**

# MCE SCO Table of Recommendations - National Energy Customer Framework

**The comments of the Energy and Water Ombudsman (EWOV) are in bold, in the right hand column.**

This table sets out the Ministerial Council of Energy (MCE) Standing Committee of Officials (SCO) policy response to the recommendations prepared by Allens Arthur Robinson (AAR) to assist in developing the National Energy Customer Framework (the national customer framework). The following Table of Recommendations takes into consideration submissions received by stakeholders after the initial release of the AAR Table of Recommendations.

SCO is presenting its policy recommendations in the same table format as that used by AAR in their Table of Recommendations. The table broadly retains the AAR numbered recommendations, so that stakeholders can use these as a reference point to identify the recommendations which SCO has adopted, rejected or modified. Part 6 contains those matters that are the subject of related work streams. Discussion surrounding each of the major policy issues can be found in the SCO Policy Paper.

The Table is divided into the following parts:

<b>Part Number</b>	<b>Subject Matter of Recommendation</b>	<b>Recommendation Number/page</b>
Part 1	Principal recommendations for obligation to supply, marketing, hardship regime, customer distribution services, retailer authorisation, enforcement.	Recommendations 1.1- 1.48 and 1.78– 1.86 (pp.2- 46)
Part 2	Regulation of standard retail & market retail contracts.	Recommendations 2.1- 2.48 (pp. 47- 66)
Part 3	Regulation of marketing conduct.	Recommendations 3.01- 3.11 (pp. 67- 70)
Part 4	Regulation of distributor-customer contract terms.	Recommendations 4.1- 4.11 (pp.71- 75)
Part 5	Regulation of distributor-retailer contract terms.	Recommendations 5.1- 5.23 (pp. 76- 84)
Part 6	Ring-fencing, retailer failure arrangements, customer registration and transfer, metering.	Recommendations 1.49 -1.76 (pp. 85- 100)

## Part 1 – Principal recommendations

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
<b>Retailer obligation to supply small customers</b>			
1.1	Definition of the obligation	<p>The Law will provide that designated retailers must, in accordance with the Rules, offer to sell energy to small customers.</p> <p>The obligation is an obligation to supply for use in a customer's premises on standard terms and conditions and at the standing offer tariff published on the retailer's website.</p> <p>However, if a small non-residential customer consumes (or is expected to consume) more than an amount of electricity specified in the regulations [the initial level for this amount is 40MWh per annum], then the retailer may:</p> <ul style="list-style-type: none"> <li>• Instead elect to offer that customer a market retail contract (that is, based on minimum terms and conditions) at a tariff nominated by the retailer; and</li> <li>• If the retailer has offered a market contract to such customers, then it will be taken to have fulfilled the obligation to offer supply, and would not be required to make an offer to supply under standard retail contract terms and conditions in respect of that customer.</li> </ul> <p>As matters of detail, the Rules will set out:</p>	<p>SCO considers that energy is an essential service and small customers should be able to access a basic supply to meet their needs.</p> <p>SCO has considered that it is important to differentiate the obligation to offer supply to the higher consumption end of the small customer definition in electricity in order to recognise the potential for innovation and diversity in the price and non-price terms and conditions of supply. This is reflected in the two 'tiers' of electricity customer that benefit differently under the obligation to supply.</p> <p>Further details with respect to the two tiered obligation to offer supply to certain small customers is discussed in the Policy Paper, and will be developed in the drafting of the exposure draft instruments.</p> <p><b>EWOV comments:</b></p> <p><b>EWOV has some reservations about the proposed arrangements for non-residential customers consuming more than 40 MWh p.a. These customers can be relatively unsophisticated operators of a small business</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	<p>Application procedures</p> <p>Retailer information requirements</p> <p>Connection services</p>	<p>Application procedures – including requirements for customers to provide:</p> <ul style="list-style-type: none"> <li>• acceptable identification (along the lines of the ESCV guideline); and</li> <li>• name and contact details.</li> </ul> <p>Retailers will be required to provide to customers:</p> <ul style="list-style-type: none"> <li>• a summary of the standing offer contract formed as a result of the application, and how copies of the contract may be obtained;</li> <li>• a summary of the retailer's and customer's respective rights and obligations concerning the supply under the Law and Rules, including relevant dispute resolution procedures;</li> <li>• particulars of any rebate or relief available under any government funded energy charge rebate or relief scheme; and</li> <li>• information in community languages about the availability of interpreter services for the languages concerned and telephone numbers for the services;</li> </ul> <p>The retailer will be responsible to communicate to the relevant distributor within one business day of an application, to</p>	<p><b>with large power requirements and not able to negotiate equally with energy companies.</b></p> <p><b>EWOV comments:</b></p> <p><b>Supported</b></p> <p><b>EWOV comments:</b></p> <p><b>Supported</b></p> <p><b>EWOV comments:</b></p> <p><b>There should continue to be a requirement to provide free interpreter services.</b></p> <p><b>EWOV comments:</b></p> <p><b>It is important to articulate this requirement</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	Conditions to the obligation	<p>arrange connection services in respect of the customer's supply point.</p> <p>Conditions to the obligation: the circumstances in which the retailer may refuse to supply, i.e. conditions precedent are failure to provide:</p> <ul style="list-style-type: none"> <li>• acceptable identification (along the lines of the ESCV guideline); and</li> <li>• name and contact details.</li> </ul> <p>Conditions subsequent:</p> <ul style="list-style-type: none"> <li>• failure to provide the security the retailer is entitled to require under the standing offer terms;</li> <li>• failure to pay an amount due to the retailer in respect of the new supply (such as connection charges);</li> <li>• failure to provide access to the premises meter; and</li> <li>• other circumstances beyond the retailer's control (eg where distributor is not obliged to connect).</li> </ul> <p>The Law will provide that the standing offer terms take effect as a standard retail contract between the retailer and customer.</p>	<p><b>clearly.</b></p> <p><b>EWOV comments:</b></p> <p><b>Accepted</b></p> <p>The SCO seeks comment from stakeholders in relation to the failure to provide security as a condition subsequent. Where a customer is disconnected as a result of a failure to provide security, it may be sensible for subsequent connections to require security as a condition precedent.</p> <p><b>EWOV comments:</b></p> <p><b>EWOV believes that the requirement for a security deposit should be a condition subsequent. Otherwise the essential nature of an electricity supply is not being recognised.</b></p> <p>Note that the retailer's obligations are also subject to the retailer's obligations under the hardship policy – including the retailer obligation to offer a payment plan to certain customers</p> <p><b>EWOV comments:</b></p> <p><b>'Failure to provide access to the premise's</b></p>

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			<p><b>meter' requires further articulation. It is unfair to disconnect supply on this basis, unless access has been blocked repeatedly, due warning notices have been provided and the account holder is actually able to facilitate access.</b></p>
1.2	Designating retailers and supply remits	<p>The Law will provide that, for the purpose of the obligation to supply, a designated retailer is a retailer designated as a local area retailer by a jurisdictional instrument (for new connections) and the Financially Responsible Retailer (FRR) for existing connections.</p> <p>A jurisdiction may designate the supply remit of a local area retailer by reference to:</p> <ul style="list-style-type: none"> <li>• a geographical area;</li> <li>• particular premises or classes of premises; or</li> <li>• particular customers or classes of customers.</li> </ul>	<p>The SCO considers that the FRR model provides operational advantages as well as complementing and supporting the role of competition. It does not give an automatic advantage to a retailer simply on the basis of historical and geographical circumstance and so reduces barriers to entry. Rather, by encouraging retailers to maintain market share by becoming the relevant 'incumbent' it arguably encourages competition.</p> <p>Further, as the AEMC observes in its review of the effectiveness of competition in Victoria, it is a clear and simple approach to regulation of the obligation, imposes costs unlikely to be higher than under the alternative options and which are more likely to be fairly distributed</p> <p><b>EWOV comments:</b></p> <p><b>EWOV is not opposed to the FRR model but has some concerns with how it might work in practice, that is, how customers will find out who the FRR is.</b></p>
1.3	MCE principles for obligation to supply	No longer required	AAR recommended that the MCE consider agreeing principles to be applied by jurisdictional ministers in

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
			<p>determining whether or not to activate or de-activate the obligation to supply by making (or revoking) the relevant jurisdictional instruments.</p> <p>There is no need for such principles to be agreed in light of other decisions as to the designated retailer regime.</p> <p><b>EWOV comments;</b></p> <p><b>No comment</b></p>
1.4	Definition of small customers	<p>The Law will provide that, for the purpose of obligating retailers to offer supply, a 'small customer' is:</p> <ul style="list-style-type: none"> <li>• a residential customer; or</li> <li>• a non-residential customer whose actual or estimated energy consumption is less than a threshold level specified in the regulations. The initial threshold will be 100MWh of electricity per annum or 1 TJ of gas per year.</li> </ul> <p>Small customers will receive equivalent benefits under the national customer framework across electricity and gas except to the extent that a retailer may elect to fulfil its obligation to offer supply in respect of some electricity customers, by making a market offer rather than a standing offer as discussed in recommendation 1.1.</p> <p>The Regulations will set out the mechanics of assessing customer consumption for the purpose of applying the threshold, including whether the threshold applies to individual premises or is aggregated.</p>	<p>SCO considers that there is no policy rationale for distinguishing between residential customers on the basis of consumption. However including all residential customers as “small” customers is consistent with the essential service nature of energy supplies. Further, small business customers should also receive the benefit of the obligation in order to facilitate competition and reduce the costs of these customers to participate confidently in the market.</p> <p><b>EWOV comment:</b></p> <p><b>The thresholds proposed by MCE SCO (up to 100 MWh or 1 TJ per annum) are lower than currently apply in Victoria (up to 160 MWh or 10 TJ per annum). This will increase the number of customers who are outside of the full consumer protection framework. It is vital that customers who are not ‘small customers’ continue to have access to external dispute resolution schemes, including EWOV.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
1.5	MCE directed review of small customer definition	The MCE will undertake a review of non-residential small customer thresholds with a view to reducing the thresholds. This review would occur periodically at intervals of no more than five years.	<p>In order to give industry and customers a level of certainty from the outset of the regime, SCO has considered and made a recommendation on the small customer definition and consumption threshold. As competition develops, SCO considers the thresholds should be reviewed over time with the objective of reducing the threshold level.</p> <p><b>EWOV comments:</b></p> <p><b>Supported, but have reservations about predetermining that the objective of such reviews is to reduce the thresholds.</b></p>
1.6	Standing offer tariffs	<p>The Law will provide that standing offer tariffs and variations to those tariffs for the standard retail contract are those published by the designated retailers on their website (and on the AER's website) from time to time.</p> <p>Variations to standing offer tariffs may not be made more often than 6 monthly and any variations must be published 20 business days in advance of the variation taking effect.</p>	<p>The standing offer tariff may be regulated in jurisdictions where retail price regulation continues.</p> <p><b>EWOV comments:</b></p> <p><b>Supported</b></p>
1.7	Specification of terms and conditions	The Law will provide that the standing offer, incorporating the standard retail contract and standing offer tariff is to be published by designated retailers on their website. The terms and conditions of a standard retail contract published by retailers is not subject to prior regulatory approval, but would be lodged with the AER and subject to compliance monitoring and enforcement by the AER.	<p><b>EWOV comments:</b></p> <p><b>Supported</b></p>
1.8	Standard retail contract	The Rules will contain (in a separate schedule) the terms and	<p><b>EWOV comments:</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	terms and conditions in Rules	conditions applicable to standard retail contracts, will be expressed as a model terms and conditions. Part 2 of this Table sets out the model terms and conditions for development of the initial Rules.	<b>Supported</b>
1.9	Deemed supply arrangements	<p>With respect to circumstances where small customers are taking supply without having formally entered into a supply contract (including move-in supply) the Law will establish the existence of a deemed set of arrangements.</p> <p>The circumstances in which a deemed supply arrangement arises are matters of detail best dealt with in the Rules. On that basis it is proposed that the Law will provide that:</p> <ul style="list-style-type: none"> <li>• the Rules may specify the terms and conditions that apply in any circumstance where a small customer is taking a supply of energy from a retailer without the customer and retailer having entered into a standard retail contract or market retail contract; and</li> <li>• the terms and conditions specified in the Rules take effect as a contract between the customer and the retailer in accordance with the Rules.</li> </ul>	<p><b>EWOV comments:</b></p> <p><b>EWOV agrees that there should be deemed supply agreements but has serious reservations about allowing them to have no upper limit to cost.</b></p>
1.10	When a deemed supply arrangement arises	<p>The Rules will provide for deemed supply arrangements to arise in the following circumstances:</p> <ul style="list-style-type: none"> <li>• where a small customer occupies premises that are already connected to the distribution system and commences to take a supply of energy; and</li> <li>• where a current standard or market contract terminates without new supply arrangements having</li> </ul>	<p><b>EWOV comment:</b></p> <p><b>Allowing deemed supply arrangements to come into effect at the termination of a contract may give retailers a perverse incentive to allow this to happen, rather than establishing a new market contract. At least, retailers should be subject to an obligation to notify customers that their market contract is coming to an end and to make a new offer. Deemed supply arrangements should only come into effect if the customer fails</b></p>

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		<p>been established, subject to any provision in the contract itself concerning the terms and conditions to apply on termination.</p>	<p>to act after this notification. Clause 24.3 of the Victorian Energy Retail Code provides a useful model.</p>
1.11	<p>Tariffs, terms and conditions of deemed supply arrangements</p>	<p>The Rules will provide that:</p> <ul style="list-style-type: none"> <li>• the tariff applicable to deemed supply arrangements is the standing offer tariff unless the retailer has published a deemed supply tariff; and</li> <li>• the terms and conditions applicable to deemed supply arrangements are the relevant designated retailer's standard retail contract terms and conditions.</li> </ul>	<p><b>EWOV comment:</b></p> <p><b>As raised at the 7 July 2008 forum, EWOV is concerned about being no upper limit on a deemed supply tariff. In particular, this could cause significant adverse effects for people whose failure to arrange a formal energy supply is due to factors like escaping domestic violence or mental illness, or moving into crisis or transitional housing. There are alternatives to such a punitive approach. At the very least, a deemed supply tariff should not come into effect until the retailer has sent a letter to the customer about their energy supply. A standing tariff should initially apply, not a higher deemed supply tariff, until a 'move in' customer has been notified and given time to make alternative arrangements.</b></p>
1.12	<p>Duration of deemed supply arrangements</p>	<p>Deemed supply arrangements for residential and small non-residential customers will continue until the customer enters into another contractual arrangement.</p> <p>Small customers are required to take appropriate steps to enter into a supply contract and thereby exit deemed supply arrangements no later than six months after deemed supply taking effect. If after six months, the customer has not entered</p>	<p><b>EWOV comment:</b></p> <p><b>Retailers should be required to send 'to the occupier' and fair warning notices before they can disconnect supply to a customer who has been on a deemed supply arrangement for more than six months.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>into a contract, the retailer will be entitled to arrange for disconnection of the premises.</p> <p>If the customer has already provided the required deemed supply notice under recommendation 1.13 (name, contact details and acceptable identification), and if not advised to the contrary, the retailer may take the customer to be requesting supply under the standing offer, and may transition the customer to the standard retail contract.</p>	
1.13	Notice requirements for deemed supply arrangements	<p>The Rules will require:</p> <ul style="list-style-type: none"> <li>• small customers to give notice to the retailer equivalent to the application requirements for supply under a standard retail contract (i.e. name, contact details and acceptable identification);</li> <li>• the retailer to give the customer details of the tariffs, terms and conditions applicable to the supply and the customer's options for establishing a new supply arrangement.</li> </ul>	<p>To the extent that a customer does not satisfy the application procedures, the retailer's obligation to offer supply is modified and may give rise to a retailer's right to disconnect.</p> <p><b>EWOV comment:</b> <b>Supported</b></p>

No.	SUBJECT	SCO RECOMMENDATION	COMMENT
<b>Retailer – small customer market retail contracts</b>			
1.14	Generic versus energy specific regulation	SCO proposes reliance on national and jurisdictional consumer protection laws where these provide a consistent national approach in dealing with the relevant subject matter.	<p>SCO endorses an approach which relies on an effective national framework for consumer policy to provide effective customer protection. However, until a national approach to consumer protection is endorsed by all jurisdictions, SCO considers that the essential nature of energy services warrant ongoing, industry specific regulation where generic legislation is inadequate.</p> <p><b>EWOV comment: supported.</b></p>
1.15	Minimum terms and conditions of market retail contracts	<p>The Law will provide that market retail contracts with small customers, or categories of small customers, must comply with any requirements in relation to such contracts contained in the Rules.</p> <p>The Law will require a retailer to include minimum terms and conditions in a market retail contract to be offered to small customers.</p> <p>The Law will provide authority for the Rules to contain provisions which specify the minimum terms and conditions of market retail contracts.</p>	

No.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>The Rules will contain (in a separate schedule) the minimum terms and conditions that must be included in market retail contracts.</p>	<p>Part 2 of this Table sets out minimum terms and conditions for market retail contracts in the initial Rules.</p> <p><b>EWOV comment: The Law or Rules should retain the requirement for a retailer to obtain the customer's explicit informed consent to switch retailer and/or enter into a market contract.</b></p>
1.16	<p>Definition of small customers for purpose of market retail contracts</p>	<p>The Law will provide that a small customer for the purpose of market retail contract regulation has the same meaning as for the purpose of the obligation to offer supply. In addition, there will be scope for the Rules to distinguish between residential and non-residential small customers in the application of market retail contracts to those customers.</p>	<p><b>EWOV comment:</b></p> <p><b>EWOV has reservations about the distinction to be made between residential and non-residential customers in the application of market retail contracts. As we have said in many submissions, non-residential customers often stand in the same need of consumer protection as do residential customers.</b></p>

No.	SUBJECT	SCO RECOMMENDATION	COMMENT
1.16A	Prepayment meter systems	<p>The Law will authorise the Rules to regulate the use of prepayment meter systems for small customers.</p> <p>The Rules will contain (in a separate schedule) the minimum terms and conditions of market retail contracts pertaining to prepayment meter customers.</p> <p>The Rules will cover the following matters in relation to the use of prepayment meter systems for small customers:</p> <ul style="list-style-type: none"> <li>• Prepayment meter contracts: <ul style="list-style-type: none"> <li>• specific disclosure requirements to obtain a small customer's explicit informed consent to enter into a prepayment meter contract (this is a specific form of market retail contract);</li> <li>• prohibition on entering into a prepayment meter contract with a customer with a life support system;</li> <li>• additional requirements to provide information to a small customer who enters into a prepayment meter contract (for example, the operating instructions for the meter, information relating to the payment facilities available, credit retrieval and emergency credit);</li> <li>• minimum terms and conditions of a prepayment meter contract (for example, a mandatory trial period, provisions relating to the fees and charges that may be recovered through the prepayment meter system); and</li> <li>• termination of the prepayment meter contract by the customer, including a request to revert to normal metering or as a result of a transfer to another retailer.</li> </ul> </li> </ul>	<p>Retail contracts where prepayment meters are involved are to form a specific type of market retail contract.</p> <p><b>EWOV comment:</b></p> <p><b>Based on the discussions at the SCO forums in Preston on 30 June 2008 and 7 July 2008, EWOV understands that the jurisdictions that do not currently have pre-payment meters will retain the ability to decide whether to introduce them. That is, the effect of including these provisions is not to override jurisdictions in this matter.</b></p> <p><b>EWOV supports a requirement that any new prepayment meter systems must be capable of identifying self-disconnection by customers.</b></p>

No.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<ul style="list-style-type: none"> <li>• variation of prepayment meter tariffs, undercharging, overcharging and recovery for illegal energy use.</li> <li>• Prepayment meter systems requirements: <ul style="list-style-type: none"> <li>• specific requirements for the prepayment meter itself, including in relation to the information displayed, when the meter will disconnect and reconnect, emergency credit, provision of energy concessions, access to meter data; and</li> <li>• requirements in relation to payment facilities.</li> </ul> </li> <li>• Other matters: <ul style="list-style-type: none"> <li>• a requirement for the retailer to establish a specific telephone service for enquiries, complaints and emergencies relating to prepayment meter systems;</li> <li>• hardship and payment difficulties – the prepayment meter system must identify to the retailer instances of self disconnection, where the meter is technically capable, and the retailer must take action to revert a customer to standard metering in certain circumstances; and</li> <li>• retention of records in relation to the above.</li> </ul> </li> </ul>	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
<b>Retailer – small customer marketing</b>			
1.17	Generic versus energy specific regulation	General consumer protection laws with respect to marketing conduct should be relied on where these provide a consistent national approach in dealing with the relevant subject matter, but energy-specific regulation is justified where general consumer protection laws are inconsistent.	SCO provides discussion on the policy framework for marketing in section 3.4 of the SCO Policy Response Paper.  <b>EWOV comment: supported.</b>
1.18	Marketing requirements	The Law will require retailers engaged in energy marketing (whether directly or indirectly) to comply with energy marketing requirements set out in the Rules.  The Rules will contain (in a separate schedule) requirements applicable to the marketing of energy. Part 3 of this Table sets out the marketing requirements for the initial Rules.	<b>EWOV comment: supported.</b>
1.19	Retailers responsible for marketing activities	The Law will ensure that retailers are ultimately responsible for marketing conduct, whether the marketing is carried out by: <ul style="list-style-type: none"> <li>▪ the retailer's own staff or officers;</li> <li>▪ persons acting as agents of retailers;</li> <li>▪ persons who are otherwise contracted by the retailer;</li> <li>▪ persons who receive a commission from the retailers,</li> </ul> in relation to marketing conduct for the purpose of gaining	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		new or retaining existing customers.	
1.20	Definition of small customers	The Law will provide that a small customer for the purpose of marketing conduct regulation has the same meaning as for the purpose of the obligation to supply.	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
<b>Hardship</b>			
1.20A	Identifying hardship customers	A "hardship customer" is a residential customer who has been identified as a customer who is experiencing financial payment difficulties by a retailer under and in accordance with, that retailer's Customer Hardship Policy.	<p>It should be noted that where small customers (who are not identified as hardship customers), experience payment difficulties from time to time, the retailer is obliged to provide certain payment options (see recommendation 2.24).</p> <p><b>EWOV comment:</b>  <b>Best practice also allows customers to self-identify they are experiencing financial hardship.</b></p>
1.20B	Obligation on retailers to have a hardship policy	<p>The Law will provide that retailers must develop, implement and publish a hardship policy for supply of energy to residential customers experiencing hardship. This policy must include the following elements:</p> <ul style="list-style-type: none"> <li>• flexible payment options for payment of energy bills;</li> <li>• processes for the early response by both retailers and residential customers to energy bill payment difficulties; and,</li> <li>• processes for identifying appropriate government concession programs and financial counselling services to assist in hardship mitigation and notifying customers in hardship of their existence.</li> </ul>	<p>New recommendation included due to feedback from submissions to Composite paper and consultation with stakeholders.</p> <p><b>EWOV comments:</b>  <b>EWOV is pleased to see the inclusion of these provisions and regards a national approach to hardship as an excellent initiative.</b>  <b>However, we recognise the proposed approach does not have all the elements of the current Victorian hardship framework.</b>  <b>Accordingly, EWOV suggests that hardship policies nationally should also be specifically required to provision for auditing usage and</b></p>

			<b>arrangements by which appliances can be purchased.</b>
1.20C	Alternative payment arrangements for hardship customers	<p>The Rules will require retailers to offer hardship customers, alternative payment arrangements prior to disconnection. These payment arrangements must include the option of payment by instalments.</p> <p>Such instalment payment plans must:</p> <ul style="list-style-type: none"> <li>• be established having regard to a customer's: <ul style="list-style-type: none"> <li>• capacity to pay;</li> <li>• arrears; and</li> <li>• expected consumption needs over the following twelve month period.</li> </ul> </li> <li>• include an offer for the customer to pay their energy consumption in advance or arrears by instalment payments;</li> <li>• inform the customer of: <ul style="list-style-type: none"> <li>• the period or periods of the plan;</li> <li>• the amount of each instalment and the frequency of instalments;</li> <li>• if the customer is in arrears, the number of instalments to pay the arrears; and</li> <li>• if the customer is to pay in advance, the basis on which instalments are calculated.</li> </ul> </li> </ul>	<p>New recommendation included due to feedback from submissions to Composite paper and consultation with stakeholders.</p> <p><b>EWOV comment:</b></p> <p><b>It can be difficult to reconcile a customer's capacity to pay with their arrears and expected consumption. EWOV considers that SCO is proposing reasonable provisions in this area.</b></p>

		The Rules will contain a general obligation for retailers to provide fair and reasonable procedures for dealing with payment difficulties that a hardship customer may experience under the plan.	
1.20D	Disconnection of hardship customers	<p>The Law will state a general principle that disconnection of a hardship customer due to inability to pay should be the last resort.</p> <p>The Law will provide that hardship customers should be disconnected only where that customer has not paid a bill and has not:</p> <ul style="list-style-type: none"> <li>• agreed to an instalment payment plan or other payment option to pay a bill offered by the retailer;</li> <li>• adhered to the customer's obligations to make payments in accordance with an agreed instalment payment plan or other payment option relating to the payment of bills.</li> </ul>	<p>New recommendation included due to feedback from submissions to Composite paper and consultation with stakeholders.</p> <p><b>EWOV comment:</b></p> <p><b>This as a reasonable approach to the balancing of interests in this area.</b></p>
1.20E	Hardship indicators	<p>The Rules will provide that the AER must:</p> <ul style="list-style-type: none"> <li>• undertake performance reporting on specific hardship indicators as established by the AER;</li> <li>• have regard to hardship indicators established in jurisdictional frameworks and the effectiveness of those indicators when developing national hardship indicators.</li> </ul>	<p>New recommendation included due to feedback from submissions to Composite paper and consultation with stakeholders.</p> <p><b>EWOV comment:</b></p> <p><b>EWOV welcomes this provision, but would welcome further clarification as to whether the AER will publish the results of the performance monitoring. EWOV would support publication.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
<b>Contractual model for customer distribution services</b>			
1.21	Default model	The Law will provide for a contractual model incorporating deemed contractual arrangements between parties.	<b>EWOV comment: supported.</b>
1.22	Preferred model	<p>The Rules will describe the obligations to be imposed through the contractual model.</p> <p>A contractual model is proposed as the default model to apply in both the electricity and gas sectors to provide a framework for the development of the distributor-customer interface and the distributor-retailer interface arrangements.</p> <p>This model involves:</p> <ul style="list-style-type: none"> <li>• a "deemed" contract between a distributor and each customer connected to the distributor's infrastructure governing the physical and operational aspects of the provision of customer distribution services to the customer, including liability issues;</li> <li>• a contract between the retailer and each of its customers which includes provisions governing the financial aspects of the provision of customer distribution services to the customer; and</li> <li>• a contract between a distributor and each retailer which sells energy to customers connected to the distributor's infrastructure governing relevant financial and coordination arrangements between the distributor and the retailer.</li> </ul>	<p>The national customer framework will not prevent negotiated distribution contracts but will also not prescribe the terms and conditions of any negotiated distribution contract.</p> <p><b>EWOV comment:</b></p> <p><b>EWOV regards the deemed contractual model as a satisfactory way of setting out relevant rights and responsibilities of customers and distributors.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
1.23	Small embedded generators	See comment.	<p>At this stage, SCO does not propose dealing with possible contractual arrangements between distributors and embedded generators. This is subject to implementation of arrangements for distributed generation in the economic regulation work streams of the MCE being managed by the Network Policy Working Group (NPWG).</p> <p>The SCO intends to revisit the issue of contractual arrangements for embedded generation closer to the implementation of the new national customer framework to take account of progress in related work streams, with a view to making provision for deemed standard arrangements for small embedded generators.</p> <p>The intention is to facilitate ongoing efforts to promote distributed generation in the national energy market.</p> <p><b>EWOV comment: no comment.</b></p>

No.	Subject	SCO RECOMMENDATION	COMMENT
<b>Distributor obligation to provide customer distribution services</b>			
1.24	Scope of obligation	<p>The Law will provide that distributors must, in accordance with the Rules, provide customer distribution services in respect of a retail customer's premises.</p> <p>A “distributor” will be defined in Law to mean:</p> <ul style="list-style-type: none"> <li>• a distributor whose network services are subject to access regulation under the Rules; or</li> <li>• any other distributors identified by jurisdictional instruments under and for the purposes of the definition.</li> </ul> <p>The reference to a retail customer's premises limits the obligation to customers acquiring (or intending to acquire) energy through a retailer, as distinct from a customer acquiring energy directly from a wholesale market.</p>	<p>SCO has also decided to enable the inclusion of distributors who are not subject to access regulation within the national customer framework where appropriate and where jurisdictions elect to do so. The details of this will be further developed in the drafting stages.</p> <p><b>EWOV comment: The reference to ‘any other distributor’ is unclear. Does it refer to third party metering providers?</b></p>
1.25	Definition of customer distribution services	<p>Customer distribution services will be defined in the Law, for the purposes of the new national customer framework. These may include:</p> <ul style="list-style-type: none"> <li>• the connection of the premises to the distribution network to allow the flow of energy between the network and the premises;</li> <li>• where a physical connection already exists, activating or opening the connection in order to allow the flow of energy between the network and the premises (this is referred to throughout as '<i>energisation</i>' of the connection);</li> </ul>	<p>The nature, scope and content of initial customer connection services are being dealt with concurrently, as part of the distribution connection &amp; planning requirements work stream of the Network Policy Working Group (NPWG).</p> <p><b>EWOV comment: EWOV seeks clarification as to whether metering is to be included as a ‘customer distribution service’. If distributors are to continue to be responsible for the reading of meters (even if they use third parties to do it), then this should be included as a ‘customer distribution service’ and be subject to service</b></p>



No.	Subject	SCO RECOMMENDATION	COMMENT
	<p>Timeframes</p> <p>Distributor information requirements</p>	<ul style="list-style-type: none"> <li>• requiring a customer to provide acceptable identification; name and contact details and prescribed information relevant to the connection of equipment at the customer's premises (eg. life support, special plant and equipment).</li> <li>• for applications by the customer, the customer will be required to provide evidence of a retail contract with a retailer prior to energisation of the connection.</li> </ul> <p>The NPWG is currently undertaking work on standard connection types and associated timeframes for electricity and gas. Where appropriate, any changes will be included in the package for the national customer framework.</p> <p>Distributor information requirements, requiring the distributor to provide to a customer:</p> <ul style="list-style-type: none"> <li>• the deemed standard terms and conditions ("deemed customer distribution contract") applicable to that customer;</li> <li>• details of applicable GSL payments and service standards;</li> <li>• details of applicable connection, energisation and re-energisation timeframes; and</li> <li>• notice of the customer's rights in respect of the negotiation of different terms.</li> </ul> <p>This information must be provided in circumstances specified in the Rules, including:</p>	<p>While the specific details of service level and timeframes may vary from jurisdiction to jurisdiction (and hence cannot be specified within the standard model terms and conditions), customers should still be provided with the relevant information for their circumstances. The Rules will therefore require distributors to provide information about the applicable regulatory requirements.</p> <p><b>EWOV comment: EWOV supports these information requirements being placed on distributors. Customers need to have access to the contract to which they are subject as an absolute minimum.</b></p>

No.	Subject	SCO RECOMMENDATION	COMMENT
		<ul style="list-style-type: none"> <li>• on application for connection of the customer's premises;</li> <li>• on energisation of the customer's premises (if information not already supplied);</li> <li>• on request;</li> <li>• following any changes to the approved terms and conditions; and</li> <li>• on a request by the distributor or the customer to negotiate different terms</li> </ul>	

No.	Subject	SCO RECOMMENDATION	COMMENT
<b>Distributor obligation to offer customer distribution services: customer connection</b>			
1.26A	Scope of obligation to offer customer distribution services	<p>The Rules will provide that distributors must, as part of the requirement under the Law to offer customer distribution services, offer to connect a retail customer's premises to its network.</p> <p>This obligation will be expressed to be subject to the requirements of applicable Rules.</p>	<p>Issues relating to standard connection types and associated timeframes will be dealt with and addressed through the MCE's network planning and connection arrangements work stream in relation to the electricity sector.</p> <p>The various connection scenarios may be specified in economic regulatory instruments pertaining to that distributor (eg. distribution determinations and access arrangements) or may be specified in applicable Rules.</p> <p>Regulated distribution services which are provided for in the instruments governing economic regulation include "customer distribution services" to be provided to retail customers under the new national customer framework.</p> <p><b>EWOV comment: supported.</b></p>
1.26B	Connection requirements	<p>The Rules will provide that the distributor is not obliged to make a connection until the customer has met any connection requirements that apply, namely:</p> <ul style="list-style-type: none"> <li>• payment for any augmentation, extension or other capital works to the distribution system if required to effect the connection;</li> <li>• completion of any works required for connection which are not part of the distribution system;</li> </ul>	<p>This rule will make the obligation to connect subject to the reasonable requirements which are provided for elsewhere in the applicable rules, whether jurisdictional or national.</p> <p>The NPWG will contribute further to these provisions in the context of the NER.</p> <p><b>EWOV comment: largely supported, but EWOV notes that unhindered access to meters is not</b></p>

	<p>Right to offer of customer distribution services once physical connection established</p>	<ul style="list-style-type: none"> <li>• compliance with technical and safety requirements in relation to the customer's installation or equipment; and</li> <li>• provision of safe and unhindered access to meters and other equipment of the distributor on the customer's premises.</li> </ul> <p>For the avoidance of doubt, once a physical connection is established with a customer's premises, that customer will have the benefit of the distributor's obligation to provide customer distribution services to those premises, irrespective of the type of connection or contractual arrangements entered into concerning the initial establishment of that connection.</p>	<p><b>always in the control of the customer.</b></p> <p><b>EWOV comment: supported.</b></p>
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NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	Negotiated customer distribution contracts	<p>A distributor and a customer may agree different terms to those contained in the deemed customer distribution contract, subject to:</p> <ul style="list-style-type: none"> <li>• in the case of small customers, the provision of specified information in relation to their right to the application of the deemed customer distribution contract standard terms and conditions and an explanation of the implications of the proposed different terms;</li> <li>• coordination with the customer's retailer; and</li> <li>• any other requirements contained in the Rules.</li> </ul> <p>Where a small customer enters into a negotiated customer distribution contract, a retailer's obligation to offer supply in respect of that customer may be modified to the extent that the negotiated customer distribution contract terms and conditions differ from the standard retail contract terms and conditions.</p>	<p>Coordination between distributors and retailers will be required where a negotiated customer distribution contract applies. This will be managed by communication and coordination requirements in the Retail Support Contract.</p> <p><b>EWOV comment: supported.</b></p>
	Access regime still applies	<p>The deemed customer distribution contract provisions do not affect the rights of a customer to negotiate for the direct provision of distribution services in accordance with Chapter 5 and 6 of the NER or under an access arrangement in accordance with the NGR.</p>	<p><b>EWOV comment: supported.</b></p>
1.28	Deemed customer distribution contract terms and conditions	<p>The Law will authorise Rules to be made for the model terms and conditions of a deemed customer distribution contract.</p>	<p><b>EWOV comment: supported.</b></p>
1.29	Rules provisions	<p>The Rules will include the following provisions in relation to the distributor - customer relationship:</p>	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	<p>Model terms for deemed customer distribution contracts</p> <p>Small customer definition</p> <p>Publishing of customer distribution contracts</p> <p>AER approval</p> <p>Variations during</p>	<ul style="list-style-type: none"> <li>• Model terms for the deemed customer distribution contract applicable to small customers and all other retail customers (unless approved standard terms apply, or a negotiated contract applies).</li> <li>• The model terms of the deemed customer distribution contract will be in a separate schedule of the Rules so that it can operate for distributors as a contract</li> <li>• Small customers will be defined in the same way as for the retailer obligation to supply.</li> <li>• Distributors must adopt and publish a customer distribution contract.</li> </ul> <p>The AER will not be required to approve deemed customer distribution contracts applicable to small customers.</p> <p>Amendment of the customer distribution contracts will be</p>	<p>Model terms will be developed for the customer distribution contract. These model terms will form the basis for any other deemed distribution contracts which may be made under the Rules.</p> <p>Part 4 of this Table sets out model terms and conditions for the development of the initial Rules.</p> <p><b>EWOV comment: supported</b></p> <p>SCO considers that as model terms will be drafted to allow adoption as the customer distribution contract, that further approval by the AER is unnecessary.</p> <p>Customer service and network performance standards as in force from time to time will be referred to but not specified in the model customer distribution contracts. The need for amendment and approval by the AER on this basis is therefore not necessary.</p> <p><b>EWOV comment: EWOV regards this as a reasonable approach. It would be onerous to require approval of distributor contracts.</b></p> <p>The AEMC in assessing a rule change that amends</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	<p>regulatory period</p> <p>Deemed customer distribution contracts for large customers</p>	<p>through a Rule change process</p> <p>Distributors may prepare and submit for the AER's approval, a customer distribution contract that may be deemed to apply to one or more classes of customers (other than small customers) on terms which are fair and reasonable ('AER approved customer distribution contract').</p>	<p>the model terms of the customer distribution contract would need to manage any transitional issues in light of existing economic regulatory instruments (determinations and access arrangements) to ensure any material changes to obligations are dealt with appropriately and are capable of providing for any cost increases or decreases flowing from a change to a distributor's obligations.</p> <p><b>EWOV comment: EWOV has concerns about business customers who move into premises previously supplied under a demand tariff but will not be using that amount of electricity.</b></p> <p><b>EWOV could not support an approach to contracts for large customers that automatically rolls over demand tariffs regardless of the nature and power usage of the business.</b></p> <p><b>There needs to be an obligation on distributors to advise new business customers about the demand tariff the previous customer was on.</b></p>
1.30	Direct regulatory obligations on distributors - Law	<p>The Law will authorise (and oblige) distributors to disconnect, reconnect and interrupt supply in the circumstances set out in the Rules.</p> <p>The Law will also expressly require that a distributor must comply with the Rules, and the terms and conditions of the relevant deemed customer distribution contract in respect of customers connected to the distributor's network.</p>	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
1.31	<p>Regulatory obligations - Rules</p> <p>Service standards</p> <p>Grounds for disconnection</p> <p>Restrictions on disconnection</p>	<p>The Rules will include the following direct obligations in relation to the distributor – customer relationship:</p> <ul style="list-style-type: none"> <li>• A requirement that distributors must comply with any applicable service standards.</li> <li>• The circumstances in which a distributor is entitled or required to disconnect customer premises, including: <ul style="list-style-type: none"> <li>• in an emergency;</li> <li>• at the direction of a relevant authority;</li> <li>• for health and safety reasons;</li> <li>• at the request of the customer or its retailer; or</li> <li>• for non-compliance by the customer with obligations under the deemed customer distribution contract that are expressed to give rise to an express right of disconnection (eg, failure to provide safe access or meet equipment specifications, or taking unauthorised supply).</li> </ul> </li> <li>• The circumstances in which a distributor must not disconnect customer premises, these being: <ul style="list-style-type: none"> <li>• after 3pm on a weekday, and on weekends and public holidays (for small customers only);</li> <li>• for electricity, if the address has a registered life support system;</li> <li>• where required notices have not been given;</li> <li>• where a complaint remains unresolved; or</li> </ul> </li> </ul>	<p><b>EWOV comment: EWOV wishes to flag the issue that a property may be found to have defects which are expensive to remedy when there is an attempt to install a smart meter. It is unreasonable in such circumstances to disconnect a customer, unless there are immediate safety issues.</b></p> <p><b>There needs to be a determination of financial responsibility to overcome defects (e.g. cotton wiring) when installing interval meters.</b></p> <p>SCO notes that there are some issues to be considered regarding implications of disconnection before or during certain public holiday periods.</p> <p><b>EWOV comment: There should be a restriction on disconnection on Fridays and the days before public holidays, as is currently the case in a number of jurisdictions. This appears to be an oversight by SCO.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	Interruptions and curtailments	<ul style="list-style-type: none"> <li>• if a distributor reasonably considers that disconnection would immediately endanger health or safety.</li> <li>• The circumstances in which a distributor is entitled or required to interrupt or curtail the supply of energy to customer premises, including: <ul style="list-style-type: none"> <li>• planned interruptions subject to prescribed advance notice periods;</li> <li>• unplanned interruptions (faults etc) and circumstances beyond the distributor's control, subject to information requirements and obligations to minimise the duration and extent of interruptions; and</li> </ul> </li> <li>• for health and safety reasons or in an emergency, including at the direction of a relevant authority.</li> </ul>	
	Reconnection	<ul style="list-style-type: none"> <li>• A requirement that distributors reconnect a disconnected customer if the reason for the disconnection has been removed.</li> </ul>	<p><b>EWOV comment: Is this an absolute requirement that exists independently of a disconnecting retailer's instruction to reconnect? Perhaps this requirement needs to be worded more exactly.</b></p>
	Dispute resolution	<ul style="list-style-type: none"> <li>• A requirement that distributors must comply with any applicable jurisdictional dispute resolution requirements</li> </ul>	<p><b>EWOV comment: supported</b></p>
	Information provision	<ul style="list-style-type: none"> <li>• Requirements for distributors to provide information to a customer or its retailer on request about the customer's consumption, network tariff or connection.</li> </ul>	<p><b>EWOV comment: EWOV would like to see a requirement on distributors to provide information for the purposes of dispute</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	<p>Fault reporting and correction</p> <p>Small customer negotiated customer distribution contracts</p> <p>Distributor compliance with deemed customer distribution contracts</p>	<ul style="list-style-type: none"> <li>• Requirements concerning the maintenance by distributors of a 24-hour fault information and reporting line.</li> <li>• Protections for small customers in relation to negotiated customer distribution contracts, including protected terms and cooling-off periods.</li> </ul> <p>There is to be an express requirement in Law and Rules that a distributor must comply with the terms of the applicable deemed customer distribution contract in respect of customers connected to the distribution system.</p>	<p>resolution as well. It is common to find that a case cannot be progressed because the distributor has not provided the requested information.</p> <p><b>EWOV comment; EWOV strongly believes, on the basis of its complaints experience, that there should be some service requirements to this obligation: the information must be reasonably accurate, geographically focused and timely.</b></p> <p>SCO notes that the substantive obligations on distributors and protections relating to small customer contracts are to be contained in Rules and as such, cannot be negotiated away from. Customers are entitled to the provision of information as outlined in 1.27 regarding the implications of entering into a negotiated customer distribution contract. As such, SCO sees no need to provide further specific obligations on distributors in relation to negotiated customer distribution contracts.</p> <p>SCO considers it important that compliance with the terms of customer distribution contracts and AER-approved distribution contracts and RSCs are regulatory obligations. Compliance with the terms of these agreements by distributors is important to deliver the new national customer framework. Therefore, breaches of the terms of a distribution contract should be subject to regulatory oversight and where appropriate, enforcement action.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
			EWOV comment; EWOV supports this position of SCO in principle, subject to the effectiveness of the compliance framework.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
<b>Distributor interface with retailers</b>			
1.32	Nature of Retail Support Contract (RSC)	<p>The Law will include provision for a Retail Support Contract between each distributor and retailer that provides energy services to customers connected to the distributor's infrastructure.</p> <p>Both a RSC for electricity and a gas RSC must regulate the respective obligations consistently with the existing national access regimes applicable in each sector.</p> <p>For example, the new RSC will be designed to work consistently within the relevant access regimes under the NEL and the NER (for electricity) and the NGL and the NGR (in gas).</p> <p>The electricity and gas RSCs will otherwise cover the same subject matter, regulating the arrangements between distributors and retailers in relation to the provision of services to their joint customers.</p>	<p>Firstly, to distinguish between the various existing UoS and coordination contracts which cover considerably different ground, and to reinforce the goal of regulation in this space, SCO uses the term "Retail Support Contract" to denote the contractual relationship between distributors and retailers.</p> <p>In both electricity and gas, a RSC will be deemed to arise between a distributor and a retailer in respect of customers of the retailer connected to that distributor's network.</p> <p><b>EWOV comment: EWOV regards the RSC as a good approach.</b></p>
1.33	<p>Establishment of default Retail Support Contracts</p> <p>Negotiated Retail Support Contracts</p>	<p>The Law will provide that except where a negotiated RSC exists, an RSC is deemed to be entered into by each distributor and each retailer where the retailer sells energy to customers connected to the distributor's infrastructure.</p> <p>The Law will not preclude a distributor and retailer negotiating different terms and conditions of their RSCs. However, the default RSC will apply in the absence of any such agreement between the parties and will effectively operate as the starting</p>	<p><b>EWOV comment: supported.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	Customer variations	<p>point for any negotiated arrangements.</p> <p>The default RSC will provide that it does not apply in respect of particular customers to the extent that they have negotiated arrangements (in relation to the provision of customer connection and distribution services) with the distributor that require different arrangements.</p>	Distributors and retailers will need to reach agreement where necessary to do so for such specific circumstances.
1.34	Default RSC terms and conditions	The Law will include authority for the Rules to make provision for the terms and conditions of a default RSC.	<b>EWOV comment: supported.</b>
1.35	<p>Rules provisions for RSC</p> <p>Model terms and conditions for default Retail Support Contract</p>	<p>The Rules will include the following provisions in relation to the distributor – retailer interface:</p> <ul style="list-style-type: none"> <li>Model terms and conditions of the default RSC will be in a separate schedule to the Rules so that it can operate for distributors and retailers as a contract.</li> </ul>	<p>For the avoidance of doubt, SCO considers that a schedule capable of adoption means a schedule that is, for all intents and purposes, a framed as a contract, minus the specific details of the distributor and retailer concerned, and any other matters of detail specific to their particular circumstance.</p> <p>Part 5 of this Table sets out a summary of the subject matters to be covered by the model terms and conditions of a default RSC for development of the initial Rules.</p> <p><b>EWOV comment: supported.</b></p>
	Default Retail Support Contract	Where the default RSC forms the basis for the relationship between a distributor and retailer, each party must give notice of this by exchange of relevant details.	There is no need for adoption and publication by a distributor where the default RSC forms the contractual terms and conditions of the distributor-retailer relationship.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	AER approval	<p>The AER will not be required to approve a default RSC.</p> <p>However, a distributor may apply to the AER to vary the model terms of the default RSC. The Rules will provide guidance for the AER for such applications for variation based on AAR's proposed rationale for allowing flexibility in the terms of RSCs, namely:</p> <ul style="list-style-type: none"> <li>• Customer service and network performance standards applicable to the distributor;</li> <li>• Any specific characteristics of the distributor's network;</li> <li>• Consistency with the regulatory obligations of retailers to customers; and</li> <li>• The statutory objectives of the NEL and the NGL.</li> </ul> <p>Where a distributor applies to the AER to vary the model terms of the default RSC, a consultation process in relation to the proposed variations will occur.</p>	<p>SCO considers that a 'rubber stamping' process is not required where the default RSC model terms and conditions as set out in the Rules are relied upon.</p> <p>Distributors would only be able to seek variation to deal with the unique characteristics of their network.</p> <p><b>EWOV comment: supported.</b></p>
1.36	Regulatory requirements	<p>The Rules will include an obligation on distributors and retailers to comply with the terms of the relevant RSC, whether this is:</p> <ul style="list-style-type: none"> <li>• a default RSC;</li> <li>• an AER approved RSC; or</li> <li>• a negotiated RSC.</li> </ul> <p>Compliance will therefore be both a contractual obligation enforceable between the parties and a regulatory obligation enforceable by the AER.</p>	<p><b>EWOV comment: supported.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		The terms and conditions of the RSC between a distributor and a retailer will not be subject to variation by the AER as an outcome of an access dispute.	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
<b>Distributor interface with embedded generators</b>			
1.37	Process for new Rules for embedded generation	<p>Having regard to the NPWG policy process adopted in relation to this issue, policy outcomes should be capable of being implemented by a Ministerial order or, where appropriate, by the normal Rule change process.</p> <p>Accordingly, the amendments to the Laws for the new national customer framework will authorise Rules relating to the connection and operation of embedded generation to be made by Ministerial order.</p>	<b>EWOV comment: no comment.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
<b>Retailer business authorisation</b>			
1.38	Substantive obligations as licence conditions	Substantive regulatory obligations will be contained in the Law and Rules rather than in licence conditions.	<b>EWOV comment: supported.</b>
1.39	Regulation of entry requirements	The Law will contain a general prohibition on a person engaging in the retail sale of energy, unless the person has obtained a retailer authorisation from the AER in relation to the carrying out of that activity, or is exempted from the requirement.	<p>No national distributor authorisation will be introduced as part of the new national customer framework legislative package.</p> <p>Therefore the new general prohibition will not extend to a prohibition on carrying on a distribution business without a national business authorisation.</p> <p>Jurisdictional licensing will remain in place for safety and technical matters.</p> <p><b>EWOV comment: EWOV queries whether this approach leaves a gap with respect to current licence obligations that do not relate to safety or technical matters.</b></p>
1.40	Entry tests	<p>The Law will set out the entry requirements to be satisfied by persons wishing to obtain energy business authorisations as retailers, and enable the AER to issue guidelines in relation to the authorisation procedures and its approach to assessing the criteria for authorisation.</p> <p>The criteria for business authorisation will include elements relating to the organisation and technical capacity necessary to meet the obligations of a retailer under the Law and Rules including:</p>	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	Financial viability  Suitable person  Market operator registration	<ul style="list-style-type: none"> <li>• financial viability – that the applicant has the financial resources required to undertake the relevant activity;</li> <li>• A broad suitability criterion – that the applicant is a suitable person to hold the authorisation;</li> <li>• Criterion relevant to national energy and financial market participation– that the applicant is registrable by NEMMCO or the relevant gas market operator in accordance with any registration requirements under the NER or NGR.</li> </ul>	
1.41	Removal of overlap with NEMMCO registration	The existing registration requirements administered by NEMMCO under the NER will be modified to ensure there is no overlap with the processes and requirements for the new retailer authorisation administered by the AER. In particular: <ul style="list-style-type: none"> <li>• NEMMCO requirements with respect to financial viability will be limited to satisfaction of the market prudential requirements under chapter 3 of the NER;</li> <li>• NEMMCO requirements with respect to organisational and compliance capacity will be limited to the relevant entity's safe and reliable interaction with the market and with technical requirements applicable under national framework instruments (including metrology).</li> </ul>	<b>EWOV comment: supported.</b>
1.42	Corresponding changes to gas market registration requirements		The national requirements for gas market registration will be determined in due course as part of the single market operator work stream.  <b>EWOV comment: no comment.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
1.43	Treatment of existing licensees	Retail businesses that hold current jurisdictional licences will transition to the national business authorisation without further processes.	<b>EWOV comment: supported.</b>
1.44	Exemptions	The Law will authorise the AER to exempt a person from the prohibition in accordance with the Law, the Rules and any guidelines issued by the AER. The Rules and AER guidelines will set out the matters to be considered by the AER in considering applications for exemptions, as well as general exemptions, in each case based initially on current arrangements. The making of guidelines and consideration of exemption applications will be subject to a consultation process.	<p>The Rules will require the AER to develop "Exempt Retail Supply Guidelines" which must set out categories of exemptions, including:</p> <ul style="list-style-type: none"> <li>▪ Specific exemption for one or more retailer authorisation obligations;</li> <li>▪ Exemptions for particular activities; and</li> <li>▪ Holders of a jurisdictional exemption</li> </ul> <p><b>EWOV comment: supported.</b></p>
1.45	Exemption conditions and enforcement	<p>The Law will provide that an exemption may be subject to conditions covering similar matters that apply to retailers. Exempt suppliers are to be subject to monitoring and enforcement by the AER in relation to compliance with the conditions of the exemption.</p> <p>In the case of a general exemption, it may be necessary for the AER to establish a framework to ensure it is aware of the persons conducting activities covered by the exemption so that it is able to monitor and enforce compliance by those persons with the conditions of their exemption.</p>	<p><b>EWOV comment: EWOV supports the SCO position that exemptions may be subject to conditions covering similar matters that apply to retailers.</b></p> <p><b>One vexed area is access to dispute resolution for customers of exempt retailers. There may be severe logistical problems involved in a requirement that exempt retailers join jurisdictional dispute resolution schemes, but their customers ought as a matter of principle have recourse to dispute resolution. EWOV would welcome SCO consideration on this point.</b></p>
1.46	Revocation	The national framework will include a regime for the AER to revoke a retailer authorisation. The details of a revocation regime will be developed having regard to the national Retailer	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>of Last Resort project, but the key elements of such a regime would include:</p> <ol style="list-style-type: none"> <li>1. The relevant matters that must be satisfied before the AER can consider revoking an authorisation such as: <ul style="list-style-type: none"> <li>• There must be a history of demonstrated and persistent breaches of the Rules with material consequences for third parties.</li> <li>• That the AER has reasonable grounds for believing that there is a real likelihood that previous and further enforcement action has not and will not be likely to remedy or prevent the continuation of breaches in the future.</li> <li>• A ‘materiality’ requirement will take into account both impacts on market participants and customers, and the cost and effort of compliance actions.</li> </ul> </li> <li>2. Procedural fairness requirements which would include: <ul style="list-style-type: none"> <li>• Notice and opportunity to rectify and be heard by the retailer.</li> <li>• Consultation with relevant market operators.</li> <li>• Provision of reasons for the decision to revoke.</li> </ul> </li> <li>3. Managing the orderly transfer of customers of the retailer and any other obligations.</li> </ol>	
1.47	Register of authorised persons	The Law will require the AER to maintain a public register of authorised persons and exempt persons (excluding those exempt under a deemed exemption) and include details of the	<b>EWOV comment: EWOV welcomes the requirement to maintain a register of exempt persons as well as of authorised retailers, but is</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		information to be included in the register.	<b>uncertain as to what a deemed exemption is. Is it any entity presently exempt under jurisdictional regulation? If so, that is a very broad group. EWOV considers that SCO should consider a mechanism by which the register of exempt persons could become more complete.</b>
1.48	Ancillary rights and powers	Ancillary rights and powers (such as those relating to compulsory acquisition and works on public and private land) will continue to be dealt with in jurisdictional legislation.	The general approach of not duplicating ongoing jurisdictional ancillary rights and powers will be adopted in the national framework. <b>EWOV comment: no comment.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
<b>Enforcement mechanisms</b>			
1.78	Compliance monitoring and enforcement functions of the AER	<p>The NEL and NGL will include provisions to support the AER's compliance monitoring and enforcement functions as follows:</p> <ul style="list-style-type: none"> <li>• a requirement for regulated entities<sup>1</sup> to establish systems and procedures to monitor regulatory compliance, in accordance with reporting requirements issued by the AER;</li> <li>• a requirement for regulated entities to notify the AER of breaches of regulatory obligations, in accordance with guidelines issued by the AER;</li> <li>• a requirement for regulated entities to undertake compliance audits, and to co-operate with such audits being undertaken by the AER or an independent auditor, in accordance with guidelines issued by the AER; and</li> <li>• a requirement for the AER to report on its compliance monitoring and enforcement functions.</li> </ul>	<p>The regulatory reporting regime adopted by the AER would be modelled on current jurisdictional reporting requirements and are to be developed through a public consultation process. Any regulatory regime developed by the AER should reflect the relative importance of particular breaches of the Law or Rules.</p> <p>Consideration will be given to the extent to which regulatory information instruments will be used for these purposes.</p> <p><b>EWOV comment: Are exempt persons 'regulated entities' for the purposes of this provision? Is AER's reporting to be public or to Government?</b></p>
1.79	Court based enforcement mechanisms	<p>The court-based enforcement mechanisms provided for in sections 61, 63 and 68 of the NEL (and the equivalent provisions to be included in the NGL) should apply to the obligations to be included in the national customer framework. Compliance with these requirements should be</p>	<p>The identification of which provisions will be nominated as civil penalty provisions will be determined as part of the drafting of the legislative and rules package.</p> <p><b>EWOV comment: supported.</b></p>

<sup>1</sup> References to 'regulated entities' in the paper are to distributors and retailers under the national customer framework.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
1.80	Additional powers for courts to make orders	designated as civil penalty provisions.  No longer required.	<p>AAR recommended that consideration be given to expanding the description of orders available to the Court.</p> <p>SCO has decided not to expand Court powers to compensatory or other orders for the following reasons:</p> <ul style="list-style-type: none"> <li>• It is inappropriate for the regulator, as prosecutor, to decide if third parties affected by the conduct should be allowed to recover losses or damages;</li> <li>• The regulator is not in a position to know or plead the quantum damage allegedly suffered by a third party; and</li> <li>• There may be undue pressure from third parties on the regulator because of the possible financial advantage they may get from the proceedings.</li> </ul> <p><b>EWOV comment: supported.</b></p>
1.81	Infringement notices	The provisions currently contained in the NEL (and to be included in the NGL) giving the AER the power to issue infringement notices where the AER believes that there has been a breach of a civil penalty provision will apply to the new national customer framework.	<b>EWOV comment: supported.</b>
1.82	Administrative remedies	The NEL and NGL will include provisions that enable the AER to accept enforceable undertakings modeled on section 87B of the <i>Trade Practices Act 1974</i> (C'th).	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
1.83	Revocation of business authorisation	The AER's power to revoke a business authorisation is only to be used as a last resort after all other enforcement mechanisms have been exhausted, and not as an enforcement mechanism to address one-off breaches.	<b>EWOV comment: supported.</b>
1.84	Additional enforcement issues – conduct provisions	Certain obligations arising from the distribution and retail regulatory functions will be enforceable as between the affected parties (distributors and retailers) for a specified and limited list of provisions that are identified as 'conduct provisions'.	<p>The new NGL includes a regime by which certain obligations may be nominated as conduct provisions which allows enforceability as between the two parties. This type of regime will be introduced into the NEL.</p> <p>Generally, SCO considers that provisions imposing an obligation on a party for the purpose of conferring a benefit on distributors, retailers and/or large end users would be the type of provision best suited to being a prescribed conduct provision. However, which provisions are identified as conduct provisions will be the subject of further consultation in the drafting of the package.</p> <p><b>EWOV comment: supported.</b></p>
	Other dispute resolution issues	<p>The dispute resolution provisions in Chapter 8 of the NER will apply in respect of the National Energy Customer Rules between NEM registered participants. Accordingly it will <i>not</i> apply to:</p> <ul style="list-style-type: none"> <li>• disputes between regulated businesses and small customers; and</li> <li>• disputes between gas distributors and retailers.</li> </ul> <p>Where court based remedies are to be used, enforcement in</p>	<p>SCO notes that chapter 8 of the NER dispute resolution process is not designed for disputes between regulated businesses and small customers, and therefore chapter 8 dispute resolutions will not be available for these disputes.</p> <p>In relation to disputes between gas distributors and</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		the lower courts, including the Federal Magistrates Court, is to be allowed within the current court jurisdictions rather than (as at present) only in the Federal Court and Supreme Courts.	retailers, SCO considers that there are adequate mechanisms in place under the national gas access arrangements for resolving disputes between gas distributors and retailers.  <b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENTS
<b>Statutory objectives</b>			
1.85	Statutory Objectives of the NEL and NGL	The current statutory objectives in the NEL and NGL are adequate to accommodate the transfer to the new national customer framework.	<b>EWOV comment: EWOV has previously expressed the view that the statutory objective is too narrow to take account of other contemporary imperatives (environmental in particular) but acknowledges SCO's position on this as expressed at the workshop on 7 July 2008.</b>
1.86	Supplementary objectives	No supplementary objectives will be introduced for the new national customer framework.	<b>EWOV comments: Noted, but see comment above.</b>

## Part 2 – Regulation of standard retail and market retail contract terms

The recommended requirements as set out in this Part 2 of the Table will apply to both standard retail contracts and market retail contracts. The Table sets out the terms and conditions of the standard retail contract, some of which are also minimum terms and conditions that must be included in market retail contracts. Where the terms and conditions of market contracts can be varied, this is indicated by a 'Market Retail Contract Annotation' in the Table.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
<b>Calculation of Charges</b>			
2.1	Tariffs and charges	<p>Charges under the standard retail contract are to be made on the basis of a published standing offer tariff that must be referred to in the contract.</p> <p>The standing offer tariff must be published by the retailer on its website and provided to the AER for publication on its website.</p> <p>Any variation to standing offer tariffs and charges must be published 20 business days in advance of the variation taking effect.</p> <p>A retailer is limited to varying a standing offer tariff to 6 monthly.</p> <p>Upon request, a retailer must provide a customer with information reasonably available to the retailer on network charges, retail charges and any other charges relating to the sale or supply of energy.</p> <p><b>Market Retail Contract Annotation</b></p> <p>Publication requirements do not apply to market retail contracts. Market retail contract tariffs must be included in the contract and variations must be notified to the customer</p>	<p>SCO notes that separate transitional provision will be made for jurisdictions where a regulated tariff continues.</p> <p><b>EWOV comment: EWOV welcomes the limitation on the changing of standard tariffs to no more than every six months.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		in accordance with requirements set out in the contract.	
2.2	Use of meter data	<p>Unless otherwise permitted, a retailer must base the calculation of charges for a small customer's bill on metering data provided by the distributor or other responsible person in accordance with the Rules.</p> <p>A retailer may base the calculation of charges under a bill on an estimation of a small customer's consumption of energy in the following circumstances:</p> <ul style="list-style-type: none"> <li>• where the customer consents to the use of estimates by the retailer;</li> <li>• where the retailer is not able to reasonably or reliably base the bill on a meter reading; or</li> <li>• where metering data is not provided to the retailer by the distributor or other responsible person.</li> </ul> <p><b>Market Retail Contract Annotation</b></p> <p>May be varied by agreement in market retail contracts.</p>	<p><b>EWOV comment: EWOV notes the use of estimations is a cause of customer dissatisfaction, both because they may lead to catch-up bills and because customers regard it as a right to have their bills based on objective data. In this context we are concerned by the generality of the statement that estimations are acceptable 'where the retailer is not able to reasonably or reliably base the bill on a meter reading'. The meaning of this is quite unclear – does it refer to instances in which distributors provide estimated or substituted data, or to problems with meter access? EWOV considers this provision is too broadly drawn.</b></p>
2.3	Meter reads	<p>A standard retail contract will inform the customer who is responsible to ensure that a meter reading takes place, and that this must take place at least once in each 12 month period.</p>	<p><b>EWOV comment: EWOV believes, on the basis of its complaints experience, that the NSW requirement of a reading every six months is a better protection of the interests of retailers and customers than this 12 month requirement.</b></p>
2.4	Estimations	<p>Where estimations are permitted to be used as the basis for the calculation of energy charges under a bill for a small customer, the estimations may be based on:</p> <ul style="list-style-type: none"> <li>• the customer's reading of the relevant meter;</li> </ul>	<p><b>EWOV comment: EWOV is pleased to see the inclusion of customer self-reads as a basis for estimations. Where retailers permit it, it often resolves difficult issues. It is appropriate for the</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<ul style="list-style-type: none"> <li>• historical meter data for the relevant customer reasonably available to the retailer; or</li> <li>• where there is no historical meter data for the relevant customer, the average usage of energy by a comparable customer over the corresponding period.</li> </ul> <p><b>Market Retail Contract Annotation</b></p> <p>Where estimation is the basis for the calculation of charges under a market retail contract, the above standard requirements in relation to the basis of estimation are to be included as a minimum term for that contract.</p>	<p><b>Rules to recognise self-reads since some companies' internal policies do not allow them.</b></p>
2.5	Bill smoothing	<p>Where a retailer is entitled to use estimations as the basis for the calculation of charges under an energy bill, estimated bills may be provided under a smoothing arrangement if:</p> <ul style="list-style-type: none"> <li>• the amount payable each month is initially the same;</li> <li>• the retailer's estimate is based on the customer's historical billing data or, if no such data exists, the average consumption of a similar customer;</li> <li>• the retailer re-estimates consumption after 6 months on the basis of a meter read; and</li> <li>• the difference between the initial estimate and the re-estimate is greater than 10%, the retailer resets the amount payable under each of the remaining bills to reflect the difference.</li> </ul> <p><b>Market Retail contract Annotation</b></p> <p>May be varied by agreement in market retail contracts.</p>	<p><b>EWOV comment: EWOV supports these requirements which, after a settling down period, have worked well in Victoria.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
2.6	Meter access	<p>The standard retail contract will state that the customer must allow safe and unhindered access to the supply address for the purposes of reading the meter.</p> <p>If a failure to provide access results in a charge being based on estimation and the customer subsequently requests an actual read, the retailer may charge the customer its reasonable costs of complying with the request.</p>	<p><b>EWOV comment: These are reasonable provisions in what has proved to be a difficult area. However, EWOV notes that the waiving of a special read fee is often an element of the resolution in relevant cases.</b></p>
<b>Termination</b>			
2.7	Retailer termination	<p>A retailer may terminate a small customer supply contract where:</p> <ul style="list-style-type: none"> <li>• the retailer has a contractual right to disconnect, disconnection has occurred and there is no contractual right to reconnection;</li> <li>• the small customer and the retailer have entered into a new customer contract; or</li> <li>• financial responsibility for the small customer has transferred to another retailer.</li> </ul> <p><b>Market Retail Contract Annotation</b></p> <p>Market retail contracts may provide for additional termination events, but must not vary the provisions relating to disconnection.</p>	<p><b>EWOV comment: supported.</b></p>
2.8	Customer termination	<p>A small customer may terminate a standard retail contract upon five business days notice to the retailer.</p> <p><b>Market Retail Contract Annotation</b></p> <p>A small customer is required to give no more than 28 days</p>	<p><b>EWOV comment: supported.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		notice to terminate a market retail contract.	
<b>Security</b>			
2.9	Provision of security	<p>A retailer may require a small customer to provide a security deposit where:</p> <ul style="list-style-type: none"> <li>• the small customer still owes that retailer in relation to the supply of electricity to another address;</li> <li>• the customer has unlawfully acquired energy within the past two years;</li> <li>• the customer has refused to provide acceptable identification to the retailer; or</li> <li>• the retailer reasonably considers that the customer does not have a satisfactory credit history.</li> </ul> <p>Payment of a security deposit in instalments will be provided for.</p> <p><b>Market Retail Contract Annotation</b></p> <p>May be varied by agreement in market retail contracts.</p>	<p>SCO considers that provision for instalment payment for security deposits more appropriately deals with the issue of customer credit risk.</p> <p><b>EWOV comment: Security deposits (refundable advances) in Victoria have not been a cause of complaint in recent years, but as a matter of equity and as a practical step, EWOV is supportive of allowing customers to pay security deposits by instalments.</b></p> <p><b>Where a customer has entered into a direct debit or Centrepay arrangement, they should generally not also be required to pay a security deposit.</b></p>
2.10	Information about credit history	<p>If a retailer requires a security deposit on the basis that a small customer has an unsatisfactory credit history, the retailer must inform the customer:</p> <ul style="list-style-type: none"> <li>• that the retailer has decided the customer has an unsatisfactory credit history;</li> <li>• the reasons for the retailer's decision;</li> <li>• of the customer's rights to dispute the decision of the</li> </ul>	<p><b>EWOV comment: EWOV supports the position in Victoria's regulatory framework that, in deciding a customer has an unsatisfactory credit history, only relevant defaults – that is energy-related ones – can be taken into account. Therefore EWOV's position is that this provision has been drawn too broadly.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		retailer; and <ul style="list-style-type: none"> <li>• that the customer has the right to obtain details in relation to the information on which the retailer's decision was based.</li> </ul>	
2.11	Amount of security	The amount of security may not exceed: <ul style="list-style-type: none"> <li>• 1.5 times the average quarterly bill (for customers on a quarterly billing cycle);</li> <li>• 2.5 times the average monthly bill (for customers on a monthly billing cycle); or</li> <li>• 2 times the average monthly bill (for customers on a two monthly billing cycle).</li> </ul> <b>Market Retail Contract Annotation</b> May be varied by agreement in market retail contracts.	<b>EWOV comment: supported.</b>
2.12	Interest	The retailer must pay interest on a security deposit to the customer in accordance with an interest rate specified initially in the Rules and subject to periodic review by the AER. The rate is to be published on the AER website.	<b>EWOV comment: supported.</b>
2.13	Application of security	The retailer may only apply a security deposit to off-set amounts owed to it where the customer has failed to pay a final bill and: <ul style="list-style-type: none"> <li>• the failure results in disconnection by the retailer and there is no contractual right to reconnection;</li> <li>• the customer vacates the property;</li> <li>• the customer requests disconnection; or</li> </ul>	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<ul style="list-style-type: none"> <li>• the customer transfers to another retailer.</li> </ul> <p>The retailer must account to the customer within 14 days after application of the security deposit.</p> <p><b>Market Retail Contract Annotation</b></p> <p>May be varied by agreement in market retail contracts</p>	
2.14	Repayment of security	<p>The retailer must repay a security deposit to the customer:</p> <ul style="list-style-type: none"> <li>• after the customer has completed: <ul style="list-style-type: none"> <li>• in the case of a residential customer – 12 months;</li> <li>• in the case of a non-residential customer – 2 years of on-time payment of energy charges; or</li> </ul> </li> <li>• where the customer ceases to take supply from the retailer at the relevant address and there is no debt outstanding.</li> </ul> <p><b>Market Retail Contract Annotation</b></p> <p>May be varied by agreement in market retail contracts.</p>	<p><b>EWOV comments: These requirements seem onerous and could result in the retailer retaining the security deposit after the customer has established willingness to pay.</b></p>
<b>Billing, apportionment of payment, disputes</b>			
2.15	Frequency of bills	<p>Energy bills must be issued by the retailer at least every three months.</p> <p><b>Market Retail Contract Annotation</b></p> <p>May be varied by agreement in market retail contracts.</p>	<p><b>EWOV comment: supported.</b></p>
2.16	Content of bills	<p>A bill should include the following content:</p>	<p><b>EWOV comment: Do these requirements allow for manually read interval meters and smart meters?</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<ul style="list-style-type: none"> <li>• customer's name, account number and address;</li> <li>• meter identifier;</li> <li>• bill period;</li> <li>• due date;</li> <li>• amount of arrears or credits;</li> <li>• relevant tariff;</li> <li>• whether the bill was issued as a result of a meter read or an estimation and, if issued as a result of a meter read, the date of the meter reading;</li> <li>• values of meter readings (or, if applicable, estimations) at the start and end of the billing period;</li> <li>• details of consumption or estimated consumption;</li> <li>• pro rata billing information (if applicable);</li> <li>• any amount deducted, credited or received under a Government rebate or concession scheme or under a payment plan;</li> <li>• the amount of any security deposit;</li> <li>• the basis on which charges are calculated, including fixed and variable charges and other miscellaneous fees or charges applicable to the small customer;</li> <li>• details of the available payment methods;</li> <li>• reference to any available government funded concessions or rebates;</li> <li>• telephone number for account and fault enquiries;</li> </ul>	<p><b>The reading of these meters may include periods of substituted data (or the whole bill may be substituted). Is substituted data an 'estimation' for these purposes, so that it must be shown? Also interval meter readings do not normally include start and end readings (to the distress of some customers). It may be necessary to make some amendments to these provisions to allow for both manually read interval and smart meters.</b></p> <p><b>The bill should also contain the date of the next scheduled meter read so that, where necessary, customers can make access arrangements.</b></p> <p><b>EWOV regrets the omission of a consumption graph from these requirements but notes that it is under consideration.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<ul style="list-style-type: none"> <li>• contact details for complaints; and</li> <li>• availability of interpreter services in community languages.</li> </ul> <p>Amounts billed for goods and services (other than the supply of energy) must be included in a separate bill or as a separate line item on an energy bill.</p>	
2.17	Payment terms	<p>The due date for payment of a bill may not be less than 12 business days from the date on which the bill is sent out.</p> <p><b>Market Retail Contract Annotation</b></p> <p>May be varied by agreement in market retail contracts.</p>	<b>EWOV comment: supported.</b>
2.18	Apportionment	<p>If a bill includes amounts payable for other goods and services provided by the retailer (apart from the supply of energy), any payment made in relation to such a bill must be applied firstly to the payment of the energy charge, unless otherwise directed or agreed to by the customer or jurisdictional legislation expressly requires otherwise.</p> <p><b>Market Retail Contract Annotation</b></p> <p>May be varied by agreement in market retail contracts.</p>	<p>For example, funds are applied first to the Queensland Community Ambulance Cover Levy, under the <i>Community Ambulance Cover Act 2003</i>.</p> <p><b>EWOV comment: Are these provisions intended to apply to the payment of non-energy services bundled with energy ones? For example, telecommunications or water services.</b></p>
2.19	Historical billing information	<p>A retailer must promptly provide historical billing data for the previous 12 months on request and without charge to a small customer. Any information provided prior to that period or more than once in any 12 month period may be subject to a reasonable charge.</p>	<b>EWOV comment: supported.</b>
2.20	Billing disputes	<p>A retailer must review a bill upon the request of a small customer in accordance with the retailer's standard</p>	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>complaints and dispute resolution procedures and in accordance with any time limits applicable under those procedures.</p> <p>The customer may request the retailer to arrange a meter test, with the cost of the test to be borne by the customer, but rebated to the customer if the meter is proved to be faulty.</p> <p>Retailers may require a customer to pay the greater of:</p> <ul style="list-style-type: none"> <li>• the portion of the bill under review which is not in dispute; or</li> <li>• an amount equal to the average amount of the customer's bills over the previous year (excluding the bill in dispute),</li> </ul> <p>and any future bills that are properly due.</p> <p>Where, after conducting a review of the bill, a retailer is satisfied that the bill is:</p> <ul style="list-style-type: none"> <li>• correct, the customer must pay the amount outstanding; or</li> <li>• incorrect, the retailer must adjust the bill accordingly and refund any fee paid in carrying out any metering test.</li> </ul>	<p><b>EWOV comment: It is EWOV's experience that customers often perceive the requirement to pay for meter tests to be unreasonable.</b></p> <p>This clause does not prevent the customer from referring a dispute according to the relevant ombudsman scheme.</p> <p><b>EWOV comment: If this is the intent, it should say so in the model contract. "Where a customer remains dissatisfied with the bill review, the retailer must tell the customer about the jurisdictional ombudsman service and provide contact details for it."</b></p>
<b>Undercharging and overcharging</b>			
2.21	Undercharging	A retailer may recover from a customer any amount undercharged during the previous 12 months (unless the undercharging arises as a result of the fault or unlawful	<p><b>EWOV comment:</b></p> <p><b>As discussed at the 7 July 2008 forum, the phrase "...unless the undercharging arises as a result of the fault or unlawful action of the customer"</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>action of the customer, in which case the 12 month limitation does not apply).</p> <p>Interest is not payable on the amount undercharged and the customer must be given a period of time to pay any undercharged amount commensurate with the period of the undercharging. Any amount undercharged must be listed and explained as a separate item on the customer's next bill or on a separate bill.</p>	<p><b>(emphasis added) is likely to give rise to various interpretations, and therefore complaints and disputes.</b></p> <p><b>For example:</b></p> <ul style="list-style-type: none"> <li>○ <b>if access to a meter is repeatedly blocked, but this related to the actions of a body corporate or other third party, is this the fault of the customer?</b></li> <li>○ <b>where a retailer has an incorrect address for a customer, it may not be clear whether this was the fault of the retailer or the customer</b></li> <li>○ <b>if no bills are received by a customer for a long period of time, is the customer at fault for not phoning the retailer to enquire where their bill is?</b></li> <li>○ <b>can a small business customer be considered at fault for not realising their bills were much lower than they previously were, or should have been (e.g. due to a multiplier error)?</b></li> </ul> <p><b>As such, EWOV suggests there is a clearer alternative: "... unless the undercharging arises as a result of meter access being repeatedly blocked, or unlawful action, by the current account holder".</b></p>
2.22	Overcharging	<p>A retailer must promptly inform the customer within 10 business days of becoming aware of an overcharge that exceeds the relevant threshold amount and must repay any amount overcharged.</p> <p>If the amount overcharged is less than the threshold amount, the retailer must credit that amount to the next bill. If the amount overcharged exceeds the relevant threshold, the</p>	<p>The initial overcharge threshold amount is proposed to be \$50.00.</p> <p><b>EWOV comment: EWOV notes there is no threshold amount in Victoria and therefore this provision offers Victorian customers less than the current framework. However, for the sake of national consistency, this appears not</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		retailer must credit the customer's next bill unless otherwise directed by the customer.	<b>unreasonable.</b>
<b>Payment methods and difficulties</b>			
2.23	Payment methods	<p>A retailer must accept payment by a small customer by any of the following payment methods:</p> <ul style="list-style-type: none"> <li>• in person;</li> <li>• by telephone;</li> <li>• by mail; or</li> <li>• by direct debit.</li> </ul> <p>Where a direct debit arrangement is entered into, the retailer and the small customer must agree the amount, date and frequency of the direct debits and the customer's cancellation options.</p> <p>A retailer must offer hardship customers the option to pay by Centrepay. Other customers experiencing financial difficulties, may request Centrepay as a payment option.</p> <p><b>Market Retail Contract Annotation</b></p> <p>May be varied by agreement in market retail contracts. If direct debit is provided for in the market retail contract, the last paragraph must be complied with.</p>	<p><b>EWOV comment: EWOV is pleased to see the provision relating to Centrepay, which has proved to be an excellent payment method for some customers.</b></p> <p><b>Does “in person” mean payment at post offices? This is a payment method used and valued by a significant customer segment. Payment “in person” will not be meaningful if there is only one address at which it can be paid.</b></p> <p><b>Can a direct debit arrangement be entered into verbally? If this is the intent, there should be a requirement on the retailer to confirm the arrangements in writing within a reasonable period.</b></p> <p><b>EWOV comment: Should this say “the second last paragraph” rather than the “last paragraph”?</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
2.24	Payment difficulties	<p>A customer may be offered a payment plan if:</p> <ul style="list-style-type: none"> <li>• the customer informs the retailer that it is experiencing payment difficulties; or</li> <li>• it becomes apparent to the retailer that the customer is experiencing payment difficulties</li> </ul> <p>A customer requesting a payment plan is entitled to reasonable consideration of that request by the retailer.</p> <p>A retailer is not required to offer a payment plan if the customer has had two instalment plans cancelled due to non-payment in the previous 12 months.</p>	<p>The extent of circumstances under which retailers are obliged to offer instalment payment plans and other services to hardship customers are separately covered under recommendations 1.20A-1.20E.</p> <p><b>EWOV comment: supported.</b></p>
2.25	Shortened collection period	<p>A retailer may only place a customer on a shortened collection cycle if in the case of a residential customer, the retailer:</p> <ul style="list-style-type: none"> <li>• has complied with the requirements as to assessing whether the customer is experiencing payment difficulties;</li> <li>• is satisfied that there are no apparent bill payment difficulties;</li> <li>• has given to the customer: <ul style="list-style-type: none"> <li>• reminder notices for two consecutive bills or disconnection warnings for two consecutive bills; and</li> </ul> </li> </ul>	<p>SCO seeks comment on the effectiveness of shortened collection periods for managing customer debt.</p> <p><b>EWOV comment: EWOV's experience is that only a few retailers use the shortened collection cycle. It typically affects customers in financial difficulties notwithstanding the provision that the retailer must have complied with the payment difficulties section of the <i>Energy Retail Code</i>, placing those customers under additional pressure. We have seen customers staying on shortened collection cycles for years because the requirements to be taken off are onerous for people in financial difficulties.</b></p> <p><b>EWOV believes that shortened collection cycles</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<ul style="list-style-type: none"> <li>• prior to the second reminder notice or second disconnection warning a notice informing the customer that;               <ul style="list-style-type: none"> <li>a) receipt of the second reminder notice may result in the customer being placed on a shortened collection cycle</li> <li>b) being on a shortened collection cycle means that the customer will not receive a reminder notice until the customer has paid three consecutive bills in the customers billing cycle by the pay by date</li> <li>c) alternative payment arrangements may be available; and</li> <li>d) the customer may obtain further information from the retailer (on a specified telephone number)</li> </ul> </li> </ul> <p>A retailer must give a customer notice that the retailer has placed the customer on a shortened collection cycle within 10 business days of doing so.</p>	<p><b>have not been proven to be effective and that it would be a retrograde step to introduce them nationally.</b></p>
<b>Disconnection</b>			
2.26	Grounds for disconnection	<p>A retailer may arrange to disconnect or discontinue supply where a small customer:</p> <ul style="list-style-type: none"> <li>• has not paid a bill for energy services;</li> <li>• has failed to provide security requested by the retailer (which it is entitled to request);</li> <li>• has denied access to a meter for three consecutive</li> </ul>	<p><b>EWOV comment:</b></p> <p><b>EWOV supports disconnection of electricity/gas being restricted to non-payment of an electricity/gas charge – and not being allowed if the non-payment is for a charge relating to another service (e.g. plumbing or electrical</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>scheduled readings without reasonable excuse;</p> <ul style="list-style-type: none"> <li>• has refused to provide acceptable identification;</li> <li>• has acquired energy illegally;</li> <li>• has obstructed an authorised person in relation to acts to be done under the contract; and/or</li> <li>• (in the case of a market retail contract) the contract has been terminated in accordance with the terms of the contract, and the customer has not entered into another retail contract.</li> </ul>	<p>services, or telecommunications services).</p> <p><b>The phrase “... has obstructed an authorised person in relation to acts to be done under the contract” is a potentially vague comment. What is “obstruction” to one person is reasonable behaviour to another. Is this clause actually talking about refusing access to the meter?</b></p> <p><b>It is not clear which entity would be the disconnecting retailer in the case of the last dot point. The former retailer is no longer authorised to disconnect the customer, unless it is still supplying under deemed arrangements, and there is no new real retailer. It may also be that this clause is contradictory with the deemed supply provisions, where the ending of the contract is a trigger for a deemed supply arrangement, but disconnection could not take place for six months.</b></p>
2.27	Limitations on disconnection	<p>Other limitations will apply to the right to discontinue supply in circumstances where a small customer has not paid a bill on account of having insufficient income.</p> <p>In these circumstances, the retailer is (where the customer is a hardship customer) required to comply with its obligations under its Customer Hardship Policy before proceeding to disconnect a customer.</p> <p>Retailers are not entitled to disconnect while an application for Government assistance or a payment plan is pending or there is an unresolved complaint relating to the outstanding</p>	<p><b>EWOV comment: A retailer should not be able to disconnect when there is a related and unresolved complaint with itself as well as with the relevant ombudsman.</b></p> <p><b>EWOV is pleased to see the referencing of the hardship provisions here.</b></p> <p><b>EWOV is also pleased to see the provision relating to life support customers, but believes the arrangements for registering them need to be spelled out.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>bill being dealt with by the relevant ombudsman.</p> <p>In addition, premises registered as containing life support or other critical medical equipment may not be disconnected.</p> <p>Retailers may only arrange for disconnections to occur before times of the day and on days as specified in the Rules (see recommendation 1.31).</p>	
2.28	Notice	<p>Disconnection may not be effected until the retailer has provided the customer with:</p> <ul style="list-style-type: none"> <li>• a reminder notice; and</li> <li>• a combined (second) reminder and disconnection notice,</li> </ul> <p>containing minimum information and at minimum specified intervals.</p> <p>In addition, where the reason is non-payment of a bill, the retailer must make a reasonable attempt to contact the customer by telephone or other specified means.</p>	<p>The notice given for disconnection will inform the customer of the due date for payment of any bills or remediation of any other ground for disconnection before disconnection is enacted.</p> <p><b>EWOV comment: EWOV’s experience suggests it will be necessary to be specific about “a reasonable attempt to contact the customer by telephone or other specified means.” Even a phrase like “use best endeavours to contact...” requires practical interpretation.</b></p> <p><b>EWOV seeks an assurance that ‘minimum information’ includes the contact details for the relevant Ombudsman.</b></p>
2.29	Reconnection	<p>A retailer must notify a small customer of the arrangements which the customer will need to make in respect of reconnection, including any costs payable by the customer. Any payment arrangements for reconnection must allow for fair and reasonable payments at fair and reasonable intervals.</p> <p>A retailer must reconnect premises if the breaches described above are remedied within 10 business days. Retailers must</p>	<p><b>EWOV comment: Does this mean a disconnected customer has to satisfy the requirements for a new connection if they take longer than 10 days to raise the money to pay the retailer? This could be quite harsh in some circumstances.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		make appropriate arrangements with the relevant distributor to ensure that reconnection occurs as soon as possible for the customer.	
<b>Liability and warranties</b>			
2.30	Liability and warranties	<p>A retailer must not include any term or condition in an energy contract that limits the liability of the retailer for breach of the contract or negligence by the retailer, provided that:</p> <ul style="list-style-type: none"> <li>• the retailer's liability may be limited as contemplated by section 68A of the <i>Trade Practices Act</i> or by equivalent State or Territory legislative provisions; and</li> <li>• there is no variation or exclusion of relevant legislative provisions which provide that the retailer is not liable for damages for failure to supply due to circumstances beyond its control (i.e. section 120 of the NEL).</li> </ul> <p>A retailer may not include in an energy contract with a small customer a term pursuant to which the customer indemnifies the retailer, so that the retailer may recover from the customer an amount greater than the retailer would otherwise have been able to recover at general law for breach of contract or negligence by the customer in respect of the contract.</p>	<p>The SCO notes that the provision dealing with liabilities as between retailers and customers is a key means for appropriately allocating risks and of critical importance to the overall contractual model.</p> <p>Interested parties may wish to give particular attention to providing feedback to SCO in this area as the detailed provisions are developed during the drafting of the initial Rules for the new national customer framework.</p> <p><b>EWOV comment: supported, but note the comments in our submission as to liability between distributors and customers and the merits of providing for voltage variation compensation in national energy regulation.</b></p>
<b>Miscellaneous</b>			
2.31	Prepayment meters	A customer may agree but cannot be required to use a prepayment meter.	While SCO agrees prepayment meters should be available as part of a market retail contract in the national customer framework, this is only where jurisdictions permit the use of prepayment meters and is not intended to mandate their use nationally.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
			<p>SCO considers that market retail contracts are the appropriate vehicle to contain the further requirements relating to the use of these meters.</p> <p>These requirements are to be based on existing jurisdictional codes for prepayment meters.</p> <p><b>EWOV comment: supported.</b></p>
2.32	Dispute resolution and complaints	A retailer must handle a complaint made by a small customer in accordance with the relevant jurisdictional dispute resolution process.	<b>EWOV comment: supported.</b>
<b>Additional provisions required in market retail contracts</b>			
2.33	Cooling-off period	<p><b>Market Retail Contract Annotation</b></p> <p>A retailer must ensure that each market retail contract entered into with a small customer enables the customer to rescind the contract within 10 business days after the contract is entered into or, if later, after the customer receives prescribed information relating to the cooling off period.</p>	<p><b>EWOV comment: EWOV strongly supports the cooling-off period dating from the time the customer receives the information rather than the entering of the contract. It is not unusual for the material to be delayed and a customer to be told it is too late to cancel a contract. We are aware of cases in which the ‘welcome pack’ took three weeks to be sent out.</b></p>
2.34	Dual fuel contracts	<p><b>Market Retail Contract Annotation</b></p> <p>In the case of dual fuel bills, payment is to be made as agreed with or directed by the customer. If there is no such agreement or direction, payment is to be applied in proportion to the relative value of the electricity and gas charges.</p> <p>Where jurisdictional legislation expressly requires otherwise, payment must be allocated accordingly.</p> <p>If disconnection is permitted, a retailer must ensure that a</p>	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		small customer on a dual fuel contract is initially disconnected from gas supply and that disconnection from electricity supply occurs within a certain period after the disconnection notice, unless otherwise directed by the customer or agreed by the customer.	
2.35	Early termination charges	<p><b>Market Retail Contract Annotation</b></p> <p>The retailer may only impose an early termination charge under a small customer market retail contract if:</p> <ul style="list-style-type: none"> <li>• the market retail contract includes details of the amount or manner of calculation of the early termination charge; and</li> <li>• the early termination charge is a reasonable estimate of the cost to the retailer resulting from the early termination.</li> </ul>	<b>EWOV comment: supported.</b>
<b>Other provisions contemplated by AAR</b>			
2.36	Assessing credit risk (limiting assessment to utility related debt)	Retailers may have regard to a customer's general credit history when assessing credit risk rather than being restricted to utility-related debt.	<b>EWOV comment: As noted earlier, EWOV supports the assessment of credit risk based on utility-related debt.</b>
2.37	Customer consultative groups	The AER must establish a customer consultative group.	To be a direct obligation. <b>EWOV comment: In some jurisdictions, retailers are obliged to have customer consultative committees. Has consideration been given to including this requirement?</b>
2.38	Discrimination based on customer supply or use of alternative	There will not be a specific provision relating to discrimination on grounds of customer supply or use of alternative energy sources.	Small customers irrespective of use of alternative energy sources (such as photovoltaic panels) must be supplied according to the standard retail contract by

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	energy sources		the designated retailers and this does not permit such discrimination. <b>EWOV comment: supported.</b>
2.39	Fees for late payment	Fees for late payment will be expressly permitted under standard retail contracts, provided that the retailer publishes a late payment fee with the standing offer tariff.  Where a customer is a hardship customer (see recommendation 1.20A) (whether that customer is taking supply under a standard or market retail contract, a retailer must waive late payment fees.	The amount of the late payment fee may be set by jurisdictions where retail price regulation continues <b>EWOV comment: EWOV is pleased to see that customers in hardship will not have to pay late payment fees. However, in Victoria, late payment fees are not allowed for small retail customers, leading to the development of market offers with on-time payment discounts. This is clearly better for customers than late payment fees.</b>
2.40	Compensation for wrongful disconnection	Retailers are not required to pay compensation to customers who are wrongfully disconnected.	<b>EWOV comment: EWOV believes that the Wrongful Disconnection Payment (WDP) scheme in Victoria has been a discipline on retailers' processes in disconnecting. It is of concern to us that there are no proposed sanctions on retailers to avoid errors or bad process in disconnection beyond general enforcement and compliance provisions.</b>  <b>EWOV considers that SCO should reconsider this decision and look at modifying aspects of Victoria's WDP arrangements, such as capping payments or assessing the customer's situation (for example, not paying WDP if it is a holiday house that has been disconnected).</b>
<b>Provisions to be included in the Rules</b>			
2.41	Communications with	A retailer must provide access to multi-lingual services (for	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	customers	languages common to the relevant customer base) in order to meet the reasonable needs of its small customers.	
2.42	Customer information	A retailer must make available on request and without charge standardised information to a small customer concerning his or her rights, entitlements and obligations.	<b>EWOV comment: supported.</b>
2.43	Competitive pricing information	The Rules should permit (but not require) the AER to require pricing information to be presented in a format which enables comparison between competing offers.	<p>SCO invites stakeholder comment on the potential for – and options for – presentation of comparative pricing of market retail tariff offers across electricity and gas in the national market.</p> <p><b>EWOV comment: It is EWOV’s experience that customers complain about the difficulty of comparing market offers. The ESC has required Product Information Statements and Offer Summaries, but the former are only available on the internet and customers do not know to ask for the latter. Comparative websites are a promising development, but if they are to be used for this purpose, there needs to be some monitoring and possibly regulation of them by the AER. EWOV believes that assisting customers to make informed decisions is an appropriate role for the AER.</b></p>
<b>Provisions subject to separate policy review</b>			
2.44	Consumption graphs	Bills to include bill benchmarking data.	<p>The arrangements for presentation of this information are currently being developed by the Consumer Information Implementation Committee.</p> <p><b>EWOV comment: As previously noted, EWOV</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
			regrets the omission of the requirement for consumption graphs so it is pleasing to see that this requirement is being developed.
2.45	Provision of energy efficiency advice	On request, a retailer must provide energy efficiency advice to a small customer.	SCO supports this recommendation as it is consistent with broader demand management objectives and most current jurisdictional regimes. <b>EWOV comment: supported</b>
2.46	Greenhouse gas emissions information on bills	Bills must include information concerning greenhouse gas emissions in accordance with guidelines.	The arrangements for presentation of this information are currently being developed by the Consumer Information Implementation Committee. <b>EWOV comment: it is pleasing that this is under development.</b>
2.47	CSOs	Retailers may be required to deliver government funded CSOs.	The MCE is currently reviewing CSOs as requested by the Council of Australian Governments. <b>EWOV comment: the Australia &amp; New Zealand Energy and Water Ombudsman Network (ANZEWO), of which EWOV is a member, has made a submission to the MCE on CSOs.</b>
2.48	Service standards	Retailers must comply with specified service standards.	<b>EWOV comment: supported</b>

### Part 3 – Regulation of marketing conduct

The recommended requirements would apply to marketing conduct involving small customers.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
3.1	Pre-contractual disclosures - timing/form	<p>A retailer must provide a small customer with certain specific information as follows:</p> <p>(a) <b>prior to formation of a market retail contract:</b> where the prescribed matters may be disclosed in writing, electronically or verbally; and</p> <p>(b) <b>as soon as practicable after formation of a market retail contract:</b> pursuant to a single written disclosure statement (unless such disclosure statement has already been provided).</p>	<b>EWOV comment: supported.</b>
3.2	Pre-contractual disclosures - required disclosures	<p>The information which a retailer must provide in the manner described above is information in relation to:</p> <p>(a) <b>prices, charges, penalties, billing and payment arrangements:</b> all applicable prices, charges, early termination payments and penalties, security deposits, service levels, concessions or rebates, billing and payment arrangements and how any of these matters may be changed;</p> <p>(b) <b>contract duration:</b> the commencement date and duration of the contract, the availability of extensions and whether the contract can be transferred to other premises if the customer moves out during the term of the contract;</p> <p>(c) <b>cooling-off period:</b> details of rights to rescind the</p>	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>contract, including how to exercise these rights;</p> <p>(d) <b>electronic transactions:</b> if any marketing requirement is to be complied with by an electronic transaction, how the transaction is to operate and, as appropriate, that the customer will be bound by the electronic transaction or will be recognised as having received the information contained in the electronic transaction; and</p> <p>(e) <b>standard retail contracts:</b> the availability of standard retail contracts and the AER's contact details.</p>	
3.3	Cooling-off period	<p>Unless such information has previously been supplied to the small customer, a retailer must send documentation to the small customer providing details of the customer's right to rescind the market retail contract, including information about how to exercise this right. A 10 business day cooling-off period will be put in place.</p>	<p><b>EWOV comment: As stated earlier, EWOV supports the SCO position that the cooling-off period begins on receipt of the post-contract written material, not the date of entering into the contract.</b></p>
3.4	Dispute resolution and complaints	<p>A retailer must advise a small customer of the customer's right to complain to the retailer in respect of any marketing activity conducted on behalf of the retailer and, if such complaint is not satisfactorily resolved by the retailer, of the customer's right to complain to the relevant industry ombudsman.</p>	<p><b>EWOV comment: This information should include the contact details of the relevant industry ombudsman.</b></p>
3.5	General conduct standards	<p>Marketers must, and retailers must ensure that marketers, comply with all applicable Commonwealth and State and Territory laws in relation to:</p> <p>(a) misleading, deceptive or unconscionable conduct;</p> <p>(b) undue pressure, harassment or coercion; and</p> <p>(c) the quality, form and content of marketing information.</p>	<p><b>EWOV comment: supported, but note that EWOV believes that reliance on general law runs the risk that compliance and enforcement action will not be as prompt and targeted as it would be if there were industry-specific requirements.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>Marketers must have, and retailers must ensure that marketers have, adequate product knowledge. Adequate product knowledge covers knowledge of matters such as tariffs, billing procedures and the availability of rebates and concessions.</p>	
3.6	Duties of marketers	<p>At all times in connection with any marketing activity, a marketer must identify his or herself to a small customer. Identification involves the marketer using best endeavours to provide the small customer with:</p> <ul style="list-style-type: none"> <li>(a) the marketer's first name;</li> <li>(b) any relevant identification number;</li> <li>(c) the name of the retailer on whose behalf the marketing contact is being made and contact details for the retailer;</li> <li>(d) sufficient contact details to enable the customer to contact the marketer; and</li> <li>(e) advice as to the purpose of the marketing contact.</li> </ul> <p>Where marketing is conducted in person, a marketer must wear an identification badge showing the marketer's photograph, first name and the name of the retailer on whose behalf the marketing contact is being made.</p>	<p><b>EWOV comment: the contact details should enable the customer to contact the retailer (not just the marketing agent).</b></p>
3.7	Training	<p>Retailers must ensure that marketers are appropriately trained in relation to compliance with marketing obligations.</p>	<p><b>EWOV comment: supported</b></p>
3.8	Record keeping	<p>Retailers must keep records of all marketing related activities, including details of marketing visits which have been conducted, and telephone marketing calls which have been placed. Retailers must also retain records of any explicit</p>	<p><b>EWOV comment: strongly supported. Such records are invaluable in investigating and resolving disputes, as well as preventing non-compliant marketing behaviour.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		informed consent obtained by a marketer for a specified period after such consent is obtained.	
3.9	Compliance audits	A retailer may be required by the AER to conduct a compliance audit in respect of the compliance by marketers with their marketing obligations.	<b>EWOV comment: supported.</b>
3.10	Contact records and contact times	The national customer framework will not deal with these matters.	<p>These matters are captured by generic customer marketing regulation.</p> <p><b>EWOV comment: while it makes sense to ensure that marketing times are consistent with general law, it is an issue that marketing times vary across the jurisdictions. It would be helpful if a mechanism could be found to make these nationally consistent.</b></p>

#### Part 4 – Regulation of distributor-customer contract terms

The following terms and conditions would be included in the model terms for deemed customer distribution contracts to be included in the Rules. Note that negotiated customer distribution contracts may be entered into where both parties agree, subject to requirements specified in the Law and Rules for small customers.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
4.1	Commencement of contract (as between the distributor and the customer at particular premises)	The customer distribution contract will apply in relation to a particular customer and premises on the date the premises are connected to the network (for new connections) or date on which the customer first took supply of energy at the premises.	<b>EWOV comment: supported.</b>
4.2	Collection of charges	An explanatory term is to be included noting that charges for customer distribution services (network charges) are paid to the retailer and that the distributor may not charge the customer directly for services unless it has a separate agreement with the customer.	<b>EWOV comment: supported.</b>
4.3	Termination of customer distribution services	<p>The customer distribution contract will provide that the contract ends in relation to a particular customer and premises, on the earlier of:</p> <ul style="list-style-type: none"> <li>• the date the customer is disconnected in accordance with the disconnection procedures and any right of reconnection has expired;</li> <li>• the customer ceasing to be responsible for energy consumption at those premises following a specified period of notice to its retailer;</li> <li>• the effective date of a negotiated distribution</li> </ul>	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>contract for the premises; or</p> <ul style="list-style-type: none"> <li>▪ the date otherwise agreed between the customer and the distributor.</li> </ul>	
4.4	Interruptions to supply	The contract will refer to the provisions of the Rules in relation to interruptions and curtailments to supply.	<b>EWOV comment: supported.</b>
4.5	Service standards/Guaranteed service levels	<p>The customer distribution contract will require that the distributor comply with any applicable service standards and guaranteed service level schemes.</p> <p>The following is an indicative list of the types of requirements that are dealt with via GSL/Service Standards:</p> <ul style="list-style-type: none"> <li>• frequency and duration of supply interruptions;</li> <li>• timely notice of planned interruptions;</li> <li>• quality of supply (excluding frequency) for electricity (this could include voltage variations);</li> <li>• wrongful disconnection;</li> <li>• timeframes for reconnection;</li> <li>• being on time for appointments;</li> <li>• response times for fault calls; and</li> <li>• provision of fault information.</li> </ul>	<p>Due to ongoing jurisdictional regulation in this space, explicit provision for GSL/Service Standards in the model terms cannot be included in the Rules. Appropriate customer information requirements will be put in place through the Rules to ensure that customers are made aware of what their particular entitlements are in this respect.</p> <p><b>EWOV comment: EWOV appreciates the reason that provision for GSL/Service Standards cannot be included in the model terms in the Rules, and supports the requirements for customer information. However, we note that GSL payments should be automatic and not dependent on the customer knowing they have an entitlement.</b></p>
4.6	Liability and warranties	<p>The following limitations of liability may be included:</p> <ul style="list-style-type: none"> <li>• implied terms and warranties may be excluded to the extent permitted by law;</li> <li>• no liability for supply interruption or disconnection to the extent the distributor is entitled to do so under</li> </ul>	<p>The SCO notes that the provision dealing with liabilities as between distributors and customers is a key means for appropriately allocating risks and of critical importance to the overall contractual model. Interested parties may wish to give particular</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>Law, Rules or contract;</p> <ul style="list-style-type: none"> <li>• no liability for reliability or quality of supply, except to the extent caused or contributed to by the distributor's default or negligence; and</li> <li>• contractual force majeure.</li> </ul> <p>The contract should state that none of these limitations will limit any obligation to make a GSL/compensation payment.</p>	<p>attention to providing feedback to SCO in this area as the detailed provisions are developed during the drafting of the initial Rules for the new national customer framework.</p> <p><b>EWOV comment: EWOV believes that SCO has missed the opportunity to adopt Victoria's Voltage Variation Guideline nationally. It is a useful assignment of rights and obligations, provides a capped amount of compensation and saves both parties transaction costs in dispute resolution. EWOV has had no Binding Decisions relating to this area since the Guideline was introduced. EWON has had many and the costs of these individual contests are very high. The Guideline is fair to both distributors and customers and should be considered.</b></p> <p><b>As a matter of principle, EWOV disagrees that there should be no liability for reliability or quality of supply, except to the extent caused or contributed to by the distributors' default or negligence. Of the parties involved, distributor and customer, the distributor is in a better position to manage the risk and bear the reasonable costs. This provision as currently worded may inflame disputes and work against timely and constructive resolution.</b></p>
4.7	Provision of information	The customer distribution contract may include an obligation on the distributor to provide information to a customer or its	<b>EWOV comment: The contract should include an obligation to make timely information available to</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>retailer on request about that customer's consumption, connection or applicable network tariff.</p>	<p><b>the relevant industry ombudsman where the customer has a dispute with either the retailer or the distributor where information provided by the distributor will help resolution. The information should also apply to the meter and metering history.</b></p>
4.8	<p>Disconnections and reconnections (excluding temporary supply interruptions)</p>	<p>The customer distribution contract will adopt the provisions of the Rules in relation to the circumstances in which a distributor may, or must, disconnect. The contract will restate when a distributor must not disconnect.</p> <p>The circumstances in which a distributor must not disconnect customer premises are:</p> <ul style="list-style-type: none"> <li>• after 3pm on a weekday, and on weekends and public holidays (for small customers only);</li> <li>• for electricity, if the address has a registered life support system;</li> <li>• where required notices have not been given;</li> <li>• where a complaint remains unresolved; or</li> <li>• if a distributor reasonably considers that disconnection would immediately endanger health or safety.</li> </ul> <p>Reconnection should be effected:</p> <ul style="list-style-type: none"> <li>• as soon as practical and within one business day</li> </ul>	<p><b>EWOV comment: EWOV is very concerned by omissions from the list of circumstances in which a distributor must not disconnect customer premises. The list omits that there should not be disconnections on Fridays, nor on the day before public holidays. EWOV hopes these omissions were oversights rather than an attempt to reduce the protections available to consumers.</b></p> <p><b>A number of retailers operate in jurisdictions where they do not have a customer call centre. There should also be a limitation on disconnecting customers when there is a public holiday in the state where the call centre is located.</b></p> <p>Reconnection within one business day will be the standard timeframe for metropolitan customers. Arrangements may be put in place by jurisdictions to</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>after the reason for disconnection has been removed and the customer requests; and</p> <ul style="list-style-type: none"> <li>if a retailer requested disconnection, as soon as practical and within one business day* after the retailer requests reconnection, subject to payment of the reconnection fee.</li> </ul> <p>A time limit for reconnection will be included (10 business days) If reconnection has not occurred within that time, a request for connection will be treated as a new request for connection.</p>	<p>vary this for designated remote areas.</p> <p><b>EWOV comment: EWOV understands the effect of the time limit for reconnection is that a connection after the 10 business days will be treated as a new connection, so that the customer incurs new fees and may be required to pay a security deposit. There are circumstances in which 10 business days may not be long enough to arrange reconnection and this time limit could have a harsh effect. EWOV believes a 20 or 30 day limit is more reasonable.</b></p>
4.9	Fault reporting and correction	Provision of 24-hour fault information and reporting line.	<b>EWOV comment: supported, but EWOV believes there should be service standards attached to this obligation.</b>
4.10	Dispute resolution	<p>The customer distribution contract will specify that customers are entitled to make a complaint in writing or by telephone to a representative of the distribution company, to have that complaint addressed-</p> <p>The customer distribution contract will specify that the customer has the right, and will be informed of their right, to take their complaint to the relevant jurisdictional ombudsman scheme if they are dissatisfied with the distributor's response.</p>	<p>SCO will review the requirements of the jurisdictional ombudsman schemes to ensure that they include obligations for distributors to have robust complaint handling requirements to support the new national customer framework.</p> <p><b>EWOV comment: EWOV welcomes this assurance by SCO. Distribution cases typically</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
			<p>take longer than retail ones to resolve.</p> <p>Often distributor input is required to resolve retail cases as well (for example, the results of a meter test in a high bill case) and EWOV would like to see requirements placed on distributors to make timely responses when they are asked to contribute to the resolution of retail cases as well as distribution ones.</p>
4.11	Customer obligations	<p>To be clearly expressed in the customer distribution contract, together with the consequences of non-compliance (eg disconnection) and provision for appropriate notice of non-compliance and an opportunity to remedy if applicable.</p> <p>Customer obligations may include matters relating to:</p> <ul style="list-style-type: none"> <li>• theft/unauthorised supply;</li> <li>• provision of safe and unhindered access to meters and other equipment of the distributor;</li> <li>• protection of/tampering with distributor equipment on premises;</li> <li>• safety of customer installation;</li> <li>• compliance with any restrictions on consumption or use of energy; and</li> <li>• requirements to notify certain events (eg faults, leaks, change of use, safety requirements).</li> </ul>	<p><b>EWOV comment: Customer obligations need to be part of the deemed distributor-customer contract, but care needs to be taken not to draft these too harshly. For example, providing access to the meter is not in the control of many customers who live in public housing or settings where there is a body corporate.</b></p> <p><b>On the matter of safety of customer installation, EWOV is concerned that the deployment of smart meters may lead to the identification of safety defects which will be expensive and unexpected for customers. While safety concerns must be given priority, there are real issues about requiring customers to pay immediately for expensive electrical work to maintain connection.</b></p>

## Part 5 – Regulation of distributor-retailer contract terms

The following subject matters will be included in the model terms for Retail Support Contracts (RSC) to be included in the Rules. In general, the same terms and conditions apply to both electricity and gas RSCs. However, where necessary, the electricity and gas RSCs may be implemented with differences to accommodate the different national access regimes in electricity and gas. Note that negotiated RSCs may be entered into where the parties agree.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
5.1	Connections at request of retailer or end customer	The RSC will require the retailer to pass on to the distributor connection requests within one business day of receipt.	<b>EWOV comment: supported</b>
5.2	Obligation to provide customer distribution services	The distributor will be required to provide customer distribution services in respect of a connection point for the retailer's customers connected to the distributor's infrastructure.	<p>SCO considers that the obligations and responsibilities of distributors and retailers under the RSC should be aligned as closely as possible with the respective responsibilities of each in the provision of services.</p> <p>Therefore, SCO considers that the RSC should provide that the retailer must pay the distributor all network charges in respect of the provision of customer distribution services to the premises of the retailer's customers.</p> <p>This can achieve greater consistency of approach between both the electricity and gas frameworks, and further detail on implementation will be developed in the drafting stage.</p> <p><b>EWOV comment: supported.</b></p>
5.3	Customers covered by	The RSC will define mutual customers of the distributor and	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	the RSC	retailer by reference to: <ul style="list-style-type: none"> <li>• customers that are connected or seeking to be connected to the distributor's infrastructure; and</li> <li>• customers in respect of which the retailer has financial responsibility.</li> </ul>	
5.4	Collection and on-payment of network charges by retailer*	<p>The RSC will provide for the retailer to pay the distributor for customer distribution services regardless of whether the retailer receives payment from its customers. This makes it explicit that retailers bear the customer credit risk in relation to collection of network charges.</p> <p>However, the retailer will not be liable for charges, or a component of charge, where a distributor fails to provide correct billing data within the prescribed period (i.e. 12 months) within which the retailer would be permitted to recover such charges from a customer.</p> <p>The default RSC will not include payment for connections negotiated between the customer and the distributor, which may be paid directly by the customer (this is intended to refer to the cost of connection or augmentation works, rather than ongoing network service charges).</p>	<b>EWOV comment: supported</b>
		Payment provisions will cover matters such as: <ul style="list-style-type: none"> <li>• invoicing;</li> <li>• use of meter data/estimates;</li> <li>• adjustment of accounts for changes to meter data or correction of errors;</li> </ul>	<b>EWOV comment: it is important that retailers are informed as to whether a reading is estimated or usage information has been substituted so that this information can be conveyed to customers in</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<ul style="list-style-type: none"> <li>• over/under charging;</li> <li>• interest on late payments; and</li> <li>• disputes.</li> </ul> <p>Provisions in the default RSC will be consistent with and support the related requirements applying between the retailer and customer as set out in Part 2 of this Table.</p> <p>The RSC will also provide for arrangements relating to passing on of any credits or miscellaneous charges (such as GSL payments or reconnection charges) that the customer may incur or be entitled to, with the exception of 'capital contribution' payments and other matters negotiated directly with the distributor.</p>	<p>the billing.</p>
5.5	Changes in network tariffs or customer distribution services	<p>The RSC will cover:</p> <ul style="list-style-type: none"> <li>• interaction between the retailer and distributor in relation to the network tariff applicable to a particular customer, in particular, for the distributor to respond to retailer requests to change a customer's applicable network tariff and for the retailer to inform the distributor of changes to the use of customer premises which may alter the applicable network tariff; and</li> <li>• notification by the distributor to the retailer of general changes in its network tariffs or other relevant charges.</li> </ul>	<p><b>EWOV comment: supported.</b></p>
5.6	Information sharing to facilitate single billing,	<p>The RSC will require:</p>	<p><b>EWOV comment: EWOV welcomes the intention to include these provisions in the RSC, especially</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
	billing disputes	<ul style="list-style-type: none"> <li>• the distributor to provide certain information to the retailer to facilitate customer billing by the retailer; and</li> <li>• the parties to cooperate in relation to customer billing disputes.</li> </ul>	<b>the second one.</b>
5.7	Credit support	A distributor will be able to require a retailer to provide credit support in certain circumstances (e.g. in response to evidence of past poor credit, default events or market suspension) and the RSC will set out the approach to determining the amount and nature of the credit support, when it may be drawn and other matters.	<p>Where the existing national regulatory regimes deal with credit support arrangements (e.g. under the NER or under the gas access arrangements), the RSC will adopt, refer to or incorporate these existing requirements as appropriate to support the new national customer framework.</p> <p>The SCO believes that the credit support arrangements should provide an appropriate balance between minimising the risk exposure of distributors to the non-payment of distribution charges and the costs that the arrangements impose upon retailers. This may be achieved through providing the option to retailers of meeting credit support requirements through alternative means to bank guarantees</p> <p><b>EWOV comment: no comment.</b></p>
5.8	Termination	<p>The RSC will make provision for termination rights for the distributor and retailer respectively.</p> <p>However, to protect customers in these circumstances, the relevant provisions would require a distributor to continue to provide services until the RSC has ceased to apply to all of the retailer's customers (for example, because they have</p>	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		transferred to a retailer of last resort).	
5.9	Interruptions to supply	The RSC will contain an acknowledgement of the distributor's right to interrupt supply in accordance with the relevant Laws and Rules.	The RSC will work consistently with existing national access framework arrangements in electricity and gas. <b>EWOV comment: supported.</b>
5.10	Allocation of liability between retailer, distributor and customer	<p>The RSC will provide for the liability of the distributor and the retailer and, in particular, for:</p> <ul style="list-style-type: none"> <li>• the distributor to indemnify the retailer for customer claims for which the distributor would have been liable if the customer had made the claim under its contract with the distributor;</li> <li>• mutual indemnities, for example, in relation to customer claims for unlawful disconnection caused by the respective parties;</li> <li>• third party claims procedures; and</li> <li>• liability caps, exclusion of warranties and implied terms, preservation of statutory instruments.</li> </ul>	<p>The SCO notes that the provision dealing with liabilities of distributors, retailers and customers is a key means for appropriately allocating risks and of critical importance to the overall contractual model.</p> <p>Interested parties may wish to give particular attention to providing feedback to SCO in this area as the detailed provisions are developed during the drafting of the initial Rules for the new national customer framework.</p> <p><b>EWOV comment: the principles outlined in this recommendation are a sensible approach to the allocation of liabilities.</b></p>
5.11	Disconnections at request of retailer, distributor or end customer	<p>The RSC contract will provide for:</p> <ul style="list-style-type: none"> <li>• disconnections at the request of the retailer (by which the retailer is taken to warrant that it is entitled to disconnect under the Rules), which may include a requirement for the distributor to compensate the retailer where it fails to action such a request (subject to carve outs, eg. where the failure is due to health and safety reasons);</li> </ul>	<b>EWOV comment: supported.</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<ul style="list-style-type: none"> <li>• disconnections at the request of a customer (parties obliged to inform each other if they receive such a request);</li> <li>• acknowledgement by the retailer of other circumstances where the distributor is entitled to disconnect;</li> <li>• the procedural requirements for reconnection.</li> </ul>	
5.12	Enforcement of distributor's rights	The RSC may provide for the distributor to notify or consult with the retailer before enforcing its rights against a customer (including disconnection), and to indemnify the retailer for any assistance provided by the retailer.	<p>AAR suggests this as an optional component of the RSC. SCO intends to adopt this provision.</p> <p><b>EWOV comment: supported</b></p>
5.13	Information sharing to facilitate connection, disconnection	See comments in relation to connection and disconnection above.	<b>EWOV comment: supported.</b>
5.14	Handling of fault complaints	<p>The RSC will provide for:</p> <ul style="list-style-type: none"> <li>• the retailer to transfer or (if transfer is not technically possible) refer to the distributor customer calls in relation to faults or emergencies; and</li> <li>• the information to be provided by the distributor to the retailer in this regard, and what information the retailer may provide to the customer.</li> </ul>	<b>EWOV comment: supported.</b>
5.15	Handling of complaints (including re billing)	The RSC will provide for each party to otherwise transfer or refer to the other any customer complaints received that relate to the other party, and should also include provisions	<b>EWOV comment: supported</b>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>requiring the parties to cooperate in addressing such complaints.</p>	
5.16	Other customer inquiries and claims	<p>The RSC will similarly provide for the transfer or referral of customer inquiries and may also include provisions requiring the parties to cooperate in relation to addressing such inquiries/claims. Such provisions may specifically relate to cooperation in relation to disputes referred to the Ombudsman.</p> <p>See also above in relation to allocation of liability.</p>	<p><b>EWOV comment: strongly supported</b></p>
5.17	Metering	<p>See comments above in relation to billing. Other relevant provisions in relation to metering would be:</p> <ul style="list-style-type: none"> <li>• obligations imposed on the party responsible for metering to use best endeavours to read meters at a particular frequency and to provide metering data to the other party;</li> <li>• obligations on both parties to notify the other if they become aware of any change to access conditions to a customer premises.</li> </ul>	<p>The purpose of these obligations is to ensure that distributors and retailers mutually support each other in the provision of their respective regulatory obligations to customers.</p> <p><b>EWOV comment: supported</b></p>
5.18	Information sharing in relation to customer information and planned and unplanned outages	<p>The RSC will include additional obligations for the parties to share information such as:</p> <ul style="list-style-type: none"> <li>• the provision of customer details by the retailer to the distributor and of any customer details held by the distributor (eg. in relation to registered life support systems) to the retailer;</li> <li>• the provision of information in relation to planned and unplanned outages by the distributor to the</li> </ul>	<p><b>EWOV comment: this recommendation raises the issue of registering life support customers. EWOV suggests that the RSC should contain specific provisions setting out responsibilities in regard to this.</b></p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<p>retailer, consistent with obligations to provide the same information to the customer (and associated referral provisions, similar to faults, as discussed above); and</p> <ul style="list-style-type: none"> <li>• a general obligation to provide information required by the other party to carry out its obligations under the RSC.</li> </ul>	
5.19	Information to be provided to the customer	The RSC would require each party to refer to the other customer requests for information relating to the other party, but may also provide for the retailer to provide information to customers on behalf of the distributor in some circumstances.	<b>EWOV comment: supported.</b>
5.20	Information sharing to facilitate churn	See comments above in relation to sharing customer information.	<b>EWOV comment: supported.</b>
5.21	Communications generally	The RSC may provide for the parties to develop communications protocols.	<b>EWOV comment: supported.</b>
5.22	Cooperation generally	The RSC would require the parties to provide information to, and generally cooperate with, the other to enable the other party to carry out its obligations under the agreement and under its agreements with customers.	<b>EWOV comment: supported.</b>
5.23	Dispute resolution	Dispute resolution procedure to be included.	SCO notes that compliance with the terms of the RSC is a regulatory obligation and thus distributors and retailers as the parties can bring disputes concerning alleged breaches to the regulator's attention. Further, electricity distributors and retailers have recourse to the dispute resolution procedure under Chapter 8 of the National Electricity Rules in the electricity sector.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
			<p>SCO is not intending to introduce any additional dispute resolution procedure to apply between retailers and distributors at this time, but the obligation to comply with the requirements of a RSC will be nominated as a "conduct provision" in both gas and electricity which permits enforcement as between the parties.</p> <p><b>EWOV comment: supported.</b></p>

## Part 6 – Ring-fencing, ROLR, customer transfer and metering

The following recommendations were presented to SCO by AAR as relevant to the National Energy Customer Framework. These areas are the subject of concurrent work streams but will be co-ordinated with the finalisation of the National Energy Customer Framework. The numbering of the recommendations below retains the AAR numbering of the Principal Recommendations numbered 49-76.

NO.	SUBJECT	AAR RECOMMENDATION	COMMENT
<b>Ring-fencing</b>			
1.49	Provisions to be included in the NEL	<p>Electricity ring-fencing requirements should be included primarily in the NEL, modelled on the equivalent requirements included in the new NGL. This would include requirements relating to:</p> <ul style="list-style-type: none"> <li>• legal separation of the entity conducting a <u>distribution business</u> from other related businesses;</li> <li>• keeping separate and consolidated accounts for distribution services and other services;</li> <li>• cost allocation principles and methodologies in relation to the allocation of costs between distribution services and other services;</li> <li>• limitations on sharing of staff between the network service provider and related businesses; and</li> <li>• measures to ensure the network service provider's dealings with related parties are not on preferential terms.</li> </ul> <p>Requirements relating to the use and disclosure of confidential</p>	<p>A legislative and rules package is being developed for appropriate ring fencing requirements through the NPWG in a parallel work stream.</p> <p><b>EWOV comment: no comment.</b></p>

NO.	SUBJECT	AAR RECOMMENDATION	COMMENT
		information obtained by the network service provider should be dealt with in the NER.	
1.50	Additional ring-fencing requirements	The NEL should authorise the AER to impose additional ring-fencing requirements on individual network service providers or their associates in equivalent terms to the AER's power under section 120 of the exposure draft of the NGL.	<b>EWOV comment: no comment.</b>
1.51	Waiver of ring-fencing requirements	The NEL should authorise the AER to grant waivers from the ring-fencing requirements in equivalent terms to section 121 of the exposure draft of the NGL (but incorporating criteria to be applied by the AER in granting waivers).	<b>EWOV comment: no comment.</b>
1.52	Regulatory information instruments	The NEL should authorise the AER to issue Regulatory Information Instruments in equivalent terms to the AER's powers under Division 4 of Part 2.1 of the exposure draft of NGL.	<b>EWOV comment: no comment.</b>
1.53	Alternative approach to legal separation	The requirement for legal separation would require transitional arrangements in those jurisdictions where operational separation is currently permitted and exists in practice. As an alternative to including a requirement for legal separation in the NEL, the NEL could authorise the making of Rules in respect of the operational separation of the business of providing network services from related businesses conducted by the same entity.	<b>EWOV comment: no comment.</b>

NO.	SUBJECT	AAR RECOMMENDATION	COMMENT
<b>Retailer failure arrangements</b>			
1.54	Statutory framework for RoLR scheme	<p>The NEL and NGL should authorise the AEMC to make Rules in relation to the establishment and operation of a scheme to address the risks and consequences of retailer failure (<b><i>RoLR scheme</i></b>) and set out the objectives of the scheme. The objectives could be expressed as being, as far as practicable:</p> <ul style="list-style-type: none"> <li>• to ensure that customers of the failed retailer continue to receive energy services;</li> <li>• to manage the risks and costs of retailer failure; and</li> <li>• to ensure the integrity of the wholesale market settlements and network balancing arrangements in the relevant market.</li> </ul>	<p>Please see SCO Policy Paper for further information relating to RoLR arrangements.</p> <p><b>EWOV comment: supported</b></p> <p><b>It is probably not a primary objective of a RoLR scheme, but attention should also be paid to arrangements for information sharing and privacy.</b></p>
1.55	Description of matters to be included in the Rules	<p>The Law should set out the matters to be addressed in the Rules by way of general description along the following lines:</p> <ul style="list-style-type: none"> <li>• provisions authorising the AER to appoint one or more entities to act as RoLR, with such appointments to be made on a basis which the AER considers will contribute to the achievement of the objectives of the scheme;</li> <li>• provisions specifying the process for and method of appointment;</li> <li>• provisions defining the events that trigger the RoLR's</li> </ul>	<p><b>EWOV comment: supported.</b></p>

NO.	SUBJECT	AAR RECOMMENDATION	COMMENT
		<p>supply obligations;</p> <ul style="list-style-type: none"> <li>• provisions setting out the ROLR's obligations in terms of preparing for the occurrence of a trigger event, including the submission of plans and proposed supply prices, terms and conditions to the AER; and</li> <li>• provisions establishing the basis for determining the prices and terms and conditions of supply, and defining the duration of the ROLR's supply obligation.</li> </ul>	
1.56	Consequences of a RoLR event	<p>The Law should describe the legal consequences that can arise as a result of the occurrence of a trigger event and permit the Rules to define the manner in which those legal consequences occur. This would include provisions to the effect that, in circumstances described in the Rules:</p> <ul style="list-style-type: none"> <li>• a contract may be deemed to exist between the ROLR and the customers of a failed retailer; and</li> <li>• contracts between the failed retailer and its customers may be deemed to be terminated or varied.</li> </ul>	<b>EWOV comment: supported.</b>
1.57	Obligations on other market participants	<p>The Law should also authorise the Rules to impose obligations on other market participants in connection with the operation of the scheme, including the failed retailer, distributors and market operators.</p>	<b>EWOV comment: supported.</b>
1.58	Insolvency issues	<p>Further consideration should be given to provisions imposing obligations on insolvency administrators or dealing with the use and application of funds of the failed retailer. Such provisions would need to be included in the Law rather than the Rules and may require complementary Commonwealth legislation.</p>	<b>EWOV comment: supported.</b>

NO.	SUBJECT	AAR RECOMMENDATION	COMMENT
1.59	Process for making initial Rules	<p>The Law should allow for the MCE to either make initial Rules for ROLR arrangements or direct the AEMC to make Rules for a ROLR scheme by a date specified in the Law. If a direction to the AEMC is used, it should enable the AEMC to make different Rules as between the electricity and gas sectors, and to assess the need for such Rules as between sectors and jurisdictions. This is intended to enable, as one possible outcome, that a ROLR scheme might not be considered necessary in the gas sector in particular jurisdictions.</p>	<b>EWOV comment: supported.</b>

NO.	SUBJECT	RECOMMENDATION	COMMENT
<b>Customer registration and transfer</b>			
1.60	Electricity registration and transfer framework	<p>The NEL will authorise the Rules to provide for:</p> <ul style="list-style-type: none"> <li>• the establishment and maintenance of a registry of information relating to each NMI that is eligible for contestability, and for access to and disclosure of that information; and</li> <li>• procedures for the efficient transfer of consumers between retailers subject to all applicable laws,</li> </ul> <p>for the purposes of facilitating the efficient and effective billing of retail and network tariffs and charges and wholesale market settlement.</p>	<p><b>EWOV comment: supported. Ombudsmen currently have access for the purpose of dispute resolution. This should be maintained.</b></p>
1.61	MSATS Procedures	<p>The NER will provide guidance on the purpose and scope of the MSATS procedures and require them to include processes for implementing the functions and requirements set out in the Rules, including the form and manner in which those functions and requirements must be carried out.</p> <p>The MSATS procedures will require amendment to remove jurisdictional variations and reflect a consistent national approach to customer registration and transfer, subject to appropriate transitional arrangements. The subject matter addressed in the MSATS procedures would be consistent with the proposed amendments to the NER (as described below), and would not change significantly.</p>	<p>NEMMCO proposed that the provision of guidance in the rules on the purpose and scope of the MSATS procedures would assist in the development of the procedures. NEMMCO has proposed that it could progress the rule changes when developing further MSATS procedure changes.</p> <p><b>EWOV comment: supported.</b></p>

NO.	SUBJECT	RECOMMENDATION	COMMENT
1.62	<p>Electricity connection point registration</p> <p>NMI standing data</p>	<p>The NER will include provisions:</p> <ul style="list-style-type: none"> <li>• defining NMI standing data, and requiring distributors, or the appropriate participants, to maintain and provide NMI standing data to NEMMCO and notify changes to that data;</li> <li>• limiting disclosure of NMI standing data by NEMMCO to the FRR and (on a limited basis to be defined in the NER) to retailers (Market Customers) who specify the NMI or supply address and to ombudsmen for dispute resolution purposes;</li> <li>• specifying the purposes for which a retailer may access and use NMI standing data; and</li> <li>• requiring distributors to provide NMI standing data to Market Customers on request within a prescribed time (eg 1 business day), if they specify the NMI, supply address, or other unique meter number, provided the data is not available through MSATS systems.</li> </ul>	<p>NEMMCO is already addressing the harmonisation of jurisdictional rules in MSATS as part of the Business and Data Process Improvement Programme sponsored by the Retail Market Executive Committee (RMEC). This work will be assisted by the development of a national policy on customer protection.</p> <p>The changes reflect the information provided in submissions regarding current practice. The issues associated with which matters should be included in the NER and the NEM procedures are to be addressed through the AEMO implementation program.</p> <p><b>EWOV comment: it is important that the current arrangements by which jurisdictional ombudsmen can ask for searches of NMI data be continued. It is important for dispute resolution.</b></p>
1.63	<p>Electricity consumer transfers</p> <p>Initiation of transfers</p>	<p>The NER will include provisions:</p> <ul style="list-style-type: none"> <li>• requiring transfer requests to be initiated only by an incoming retailer submitting a request in accordance with the MSATS procedures;</li> </ul>	<p>These rules will need to be reviewed to ensure there is no overlap with existing procedures and gas retail rules and that the hierarchy of where the requirements are placed is consistent. This is a part of the work being undertaken to establish the AEMO.</p>

NO.	SUBJECT	RECOMMENDATION	COMMENT
	Transfer requests and process	<ul style="list-style-type: none"> <li>• requiring a transfer request to be accepted as valid if: <ul style="list-style-type: none"> <li>▪ it contains all the prescribed information;</li> <li>▪ the connection point details in the request are consistent with the NMI standing data;</li> <li>▪ there is no outstanding transfer request in relation to the same connection point;</li> <li>▪ the metering installation complies with applicable requirements for contestability; and</li> <li>▪ the incoming retailer is registered with NEMMCO as a market participant;</li> </ul> </li> <li>• prohibiting a retailer from submitting a transfer request unless: <ul style="list-style-type: none"> <li>• it has obtained any applicable consents from the customer (account holder) to enter into the retail contract; and</li> <li>• it has all necessary agreements in place to enable the sale of energy to the customer at that connection point;</li> </ul> </li> <li>• requiring the retailer to take into account applicable cooling-off periods by ensuring that transfers are not completed before expiry of the cooling-off period;</li> </ul>	<p><b>EWOV comment: supported.</b></p> <p>This change is to clarify the party with the authority to request a transfer.</p> <p><b>EWOV comment: EWOV supports that the consent to a transfer should come from the current account holder.</b></p> <p>These changes reflect NEMMCO comments relating to the capability of MSATS. Although concerns were raised by stakeholders suggesting that the transfer request should not be initiated until after the cooling off period, this issue should be addressed in the drafting to require retailers to withdraw transfer requests when a customer cools off.</p>

NO.	SUBJECT	RECOMMENDATION	COMMENT
	<p data-bbox="327 906 456 938">Objections</p> <p data-bbox="327 1254 510 1286">Transfer period</p>	<ul style="list-style-type: none"> <li data-bbox="636 280 1323 392">• permitting a retailer to withdraw a transfer request submitted by it at any time before the transfer has been registered by NEMMCO;</li> <li data-bbox="636 695 1375 887">• requiring the provision of notice of a valid transfer request within one business day to prescribed persons (likely to be the distributor, existing retailer and any other person registered as a metering provider or metering data provider for the connection point);</li> <li data-bbox="636 911 1368 1054">• permitting a transfer objection to be lodged within a prescribed time (e.g. 5 business days from the date of the transfer request) in accordance with the MSATS procedures;</li> <li data-bbox="636 1078 1375 1230">• requiring the incoming retailer and the objecting party to use best endeavours to resolve the objection, within a prescribed time, or the transfer request is deemed to have been withdrawn;</li> <li data-bbox="636 1254 1352 1366">• specifying the period within which a transfer must be completed (being within 65 business days after a transfer request);</li> <li data-bbox="636 1390 1330 1422">• the circumstances in which transfers may be made</li> </ul>	<p data-bbox="1402 280 2029 671"><b>EWOV comment: EWOV believes that a change request should not be initiated until after the cooling-off period. At a recent Victorian Essential Services Commission forum, a number of retailers confirmed that this was their practice even in jurisdictions where they are permitted to initiate the transfer before the cooling-off period. EWOV's experience is that mistakes and confusion will be more common if this change is permitted.</b></p> <p data-bbox="1402 1390 1626 1422"><b>EWOV comment:</b></p>

NO.	SUBJECT	RECOMMENDATION	COMMENT
	<p>Meter reading</p> <p>Notice to customer</p>	<p>retrospectively effective and the applicable retrospective periods;</p> <ul style="list-style-type: none"> <li>• requiring a transfer to be based on an actual meter reading (with the Rules to specify whether this will be based on a scheduled or special reading), obtained within a timeframe prescribed in the MSATS procedures;</li> <li>• requiring notice to be provided by the new retailer to the customer within 10 days after the transfer is completed.</li> </ul>	<p><b>Retrospective transfers are very important to the resolution of complaints about erroneous transfers and transfers without explicit informed consent.</b></p> <p>This change is for clarification purposes. However, it is noted that the requirement for an actual meter reading would not apply to ROLR transfers. It is expected that separate procedures would apply in this case (being progressed in the ROLR work program).</p> <p><b>EWOV comment: EWOV supports that transfers should be based on actual meter reads, and acknowledges that this will not be practical in a RoLR event.</b></p> <p>This change provides further clarity on the responsibility for the notice.</p>
1.64	Gas registration and transfer framework	<p>The NGL will authorise the Rules to provide for:</p> <ul style="list-style-type: none"> <li>• the establishment and maintenance of a registry of information relating to each gas supply point that is eligible for contestability, and for access to and disclosure of that information; and</li> <li>• procedures for the efficient transfer of consumers between retailers subject to all applicable laws,</li> </ul> <p>for the purposes of facilitating the efficient and effective billing of retail and network tariffs and charges, wholesale market</p>	<p><b>EWOV comment: no comment.</b></p>

NO.	SUBJECT	RECOMMENDATION	COMMENT
		settlement and/or gas pipeline balancing.	
1.65	Grandfathering of retail market rules	<p>The NGL will authorise the NGR to provide for those matters by requiring compliance with a retail market instrument (to be defined as an instrument identified in the NGR, or any other instrument approved by the AEMC for that purpose), and deeming the provisions of any such instrument to take effect as Rules, subject to the Rule-change procedures in the NGL.</p> <p>The existing gas retail market rules will be brought within the national framework in their current form by being deemed to take effect as Rules under the NGL authorising provision described above.</p>	<p>As above.</p> <p>The treatment of the clauses of other gas instruments as rules or procedures, and the process and timing for review, is to be clarified in the AEMO establishment work.</p> <p><b>EWOV comment: no comment</b></p>
1.66	Process for review of grandfathered instruments	<p>In progressing the work program of the GMLG or other process for development of national gas market arrangements, the SCO will consider a process for the development at a later stage of nationally consistent customer registration and transfer arrangements. This could be included as part of the process for development of the rules associated with the STTM or could be a direction to the AEMC to undertake a review after the initial Rules have been made.</p>	<p>This is another area to be clarified in the AEMO establishment work.</p> <p><b>EWOV comment: no comment</b></p>
1.67	Gas retail market rule changes	<p>The Rule change procedures in the NEL and NGL should be amended in a manner which permits the AEMC to consider changes to Rules (including the instruments deemed to be made under the NGR) in accordance with a fast-track process which takes into account prior consultation. The amendments will be in accordance with the SCO proposed amendments to the AEMC Rule change process (subject to the suggestion that</p>	<p>This recommendation has been implemented in the National Gas Law. The fast-track process requires public consultation.</p> <p><b>EWOV comment: no comment</b></p>

NO.	SUBJECT	RECOMMENDATION	COMMENT
		SCO consider whether the requirement for prior consultation must be with all relevant stakeholders or must be a public consultation).	

NO.	SUBJECT	RECOMMENDATION	COMMENT
<b>Metering – electricity</b>			
1.68	Principal regulation of electricity metering	<p>The NEL already contemplates in Schedule 1 that the NEL may contain rules in relation to:</p> <ul style="list-style-type: none"> <li>• the metering of electricity to record the production or consumption of electricity;</li> <li>• the registration of metering installations used to meter electricity; and</li> <li>• the regulation of persons providing metering services relating to the metering of electricity.</li> </ul> <p>The NEL does not distinguish between metering for wholesale or retail purposes and it is therefore not necessary to make any amendment for the purpose of bringing retail metering within the NEL.</p> <p>The principal regulation of metering will be contained in the NEL / NEM Metrology Procedure regime.</p>	<p>This issue is to be progressed through NEMMCO rule change and metrology procedure change processes.</p> <p><b>EWOV comment: EWOV asks whether these proposed rules take account of the smart meter rollout and of distributor responsibility for it.</b></p>
1.69	Provisions to be included in the NEL	<p>The amendments to the NEL and NEM Metrology Procedure currently being developed by NEMMCO as part of its NEM Metrology Programme will be implemented. In addition, these amendments will include certain provisions which are currently omitted from the NEMMCO process but which could be adequately addressed within the NEL/NEM Metrology Procedure framework (as set out in Part B of Attachment 9 to Working Paper 4).</p>	<p>The provisions in Part B of the Attachment 9 of Working Paper 4 outline a number of additional services associated with meters and meter reading. These provisions impose obligations to provide these services on the condition that the customer pays for the service. These issues would appear to be covered in the first package of the NEL in the treatment and classification of alternative control and negotiated services.</p>





NO.	SUBJECT	RECOMMENDATION	COMMENT
	Other jurisdictional metering instruments	The regulatory requirements currently contained in additional jurisdictional instruments would also be grandfathered. However, in relation to these requirements, it may be appropriate in some cases to create new stand-alone instruments that either extract relevant metering regulation from a broader jurisdictional instrument (Victoria), or bring together the requirements of a number of jurisdictional instruments (New South Wales and Western Australia). This process would be undertaken by Ministerial order.	As above  <b>EWOV comment: no comment</b>
1.75	Process for review of grandfathered instruments	In progressing the work program of the GMLG or other process for development of national gas market arrangements, the SCO should consider a process for the review at a later stage of the grandfathered instruments to establish (as far as practicable) nationally consistent gas metering arrangements. This could involve the GMO/NEMO undertaking a process similar to that undertaken by NEMMCO for electricity metering, with Rule changes to be submitted to the AEMC under the normal Rule change process.	The treatment of existing instruments as rules or procedures, and the process for review, is to be addressed through the AEMO establishment work.  <b>EWOV comment: no comment</b>
1.76	Supplementary regulation of gas metering  Contractual/regulatory interface provisions	As for electricity, relevant metering provisions considered in relation to retail contracts (Part 2 of this document) and in relation to the distributor-retailer and distributor-customer interfaces (Parts 4 and 5 of this document) should apply.  Potential overlap with the grandfathered metering regulation will need to be considered in respect of the specific provisions adopted for the retail contracts and interface arrangements, with unnecessary duplication being removed.	The treatment of existing instruments as rules or procedures, and the process for review, is to be addressed through the AEMO establishment work.  <b>EWOV comment: no comment</b>

NO.	SUBJECT	RECOMMENDATION	COMMENT
	Incidental jurisdictional legislative provisions	Current jurisdictional legislative provisions incidental to metering (in relation to access to premises and theft/diversion of gas) would not be included in the NGL. Rather, these matters would continue to be regulated as part of the ongoing jurisdictional legislative regimes.	