



31 July 2008

Manager, MCE Secretariat,
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Dear Sir/Madam

ORIGIN ENERGY SUBMISSION - NATIONAL ENERGY CUSTOMER FRAMEWORK - TABLE OF RECOMMENDATIONS

Origin Energy (Origin) welcomes the opportunity to comment on the Ministerial Council on Energy (MCE) Standing Committee of Officials' policy recommendations for the development of the National Energy Customer Framework. Origin has provided these comments within the attached MCE SCO Table of Recommendations format as requested at recent information sessions.

Origin supports many of the amendments to this version of the table of recommendations and urges the SCO to ensure that the regulatory burden within the framework is contained. There can be a tendency for regulatory creep to occur with every round of consultation at the expense of the original policy objectives.

In particular Origin supports the inclusion of the contractual model for customer distribution services being applied to both gas and electricity as this will better align the risks and liabilities associated with their supply. However, Origin continues to be concerned with the intention to introduce a new enforcement regime that contains a suite of measures including court based mechanisms for customer regulatory breaches. This approach is likely to be heavy handed and will undoubtedly be more costly than the existing regime which has operated successfully in a highly competitive market. It is unclear on what basis this new regime is being recommended or the underlying analysis that would support its adoption.

Origin looks forward to participating in the next phase of this process which will be the release of the Exposure Draft of Laws and Rules in late October.

Should you wish to discuss an aspects of our comments please do not hesitate to contact Randall Brown on (03) 9652 5880.

Yours sincerely

A handwritten signature in cursive script, appearing to read "B J Hughson".

Beverley Hughson
National Regulatory Manager

Origin Energy Response

MCE SCO Table of Recommendations - National Energy Customer Framework

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:

Part Number	Subject Matter of Recommendation	Recommendation Number/page
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)

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
	<p>Retailer information requirements</p> <p>Connection services</p> <p>Conditions to the obligation</p>	<ul style="list-style-type: none"> • name and contact details. <p>Retailers will be required to provide to customers:</p> <ul style="list-style-type: none"> • a summary of the standing offer contract formed as a result of the application, and how copies of the contract may be obtained; • 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; • particulars of any rebate or relief available under any government funded energy charge rebate or relief scheme; and • information in community languages about the availability of interpreter services for the languages concerned and telephone numbers for the services; <p>The retailer will be responsible to communicate to the relevant distributor within one business day of an application, to 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"> • acceptable identification (along the lines of the ESCV guideline); and • name and contact details. <p>Conditions subsequent:</p> <ul style="list-style-type: none"> • failure to provide the security the retailer is entitled to require under the standing offer terms; 	<p>The SCO seeks comment from stakeholders in relation to the failure to provide security as a condition subsequent. Where a customer is</p>	<p>Origin believes that some flexibility should be maintained in this requirement especially as connections are not core business for retailers and to allow for batch processing. One business day should be reverted to "in a timely manner".</p> <p>This issue can be circular and Origin sees no need to differentiate between conditions precedent and subsequent. They should all be conditions precedent.</p> <p>The practical application may appear as a difference because when applied to a "move in" customer where the site is already energised and the customer has moved in the request for a security deposit could be seen as a condition subsequent.</p> <p>A further circumstance in which a retailer should</p>

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		<ul style="list-style-type: none"> • failure to pay an amount due to the retailer in respect of the new supply (such as connection charges); • failure to provide access to the premises meter; and • other circumstances beyond the retailer's control (eg where distributor is not obliged to connect). <p>The Law will provide that the standing offer terms take effect as a standard retail contract between the retailer and customer.</p>	<p>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>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>have the right to refuse supply is outstanding debt owed to the retailer from customer consumption at another supply address.</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"> • a geographical area; • particular premises or classes of premises; or • particular customers or classes of customers. 	<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>The use of the Financially Responsible Retailer (FRR or FRMP) for existing connections and the Local Area Retailer (LAR) model for new connections to allocate supply obligations is a reasonable compromise going forward. Origin is of the view that the current rates of churn and competition will largely, over time, make the allocation of new connections to LAR's irrelevant.</p> <p>Once the market and its participants are more familiar with this concept then further changes should be considered.</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 determining whether or not to activate or de-activate the obligation to supply by making (or revoking) the relevant jurisdictional instruments.	

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			<p>There is no need for such principles to be agreed in light of other decisions as to the designated retailer regime.</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"> • a residential customer; or • 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. <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>	See Origin's response to 1.1 above.
1.5	MCE directed review of small customer definition	<p>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>	<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>The review of the thresholds for non residential customers should be conducted at intervals of no more than 2 years. Five years is an extensive interval particularly in energy where competition has proven to ramp up significantly each year. The objective of reducing the threshold over time based on increased competition is supported although it is difficult to comprehend what would need to change in Victoria where effective competition has been proven by the AEMC.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
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>Variations to standard offer tariffs should not be required to be published 20 business days in advance to the variation taking effect because:</p> <ul style="list-style-type: none"> • This could leave retailers financially exposed if similar notice of distribution cost increases is not aligned. • Previous experience has shown that delays in approval of regulated prices have often occurred and that a 20 day notice period unreasonably extends a retailer's financial risk. <p>Origin does not support this provision and believes that if a notice timeframe is considered necessary then it should be no more than 10 business days.</p> <p>There is no rational reason to limit the time period between price variations by retailers to 6 months.</p> <p>Retailers operating in a competitive market need to be able to efficiently respond to the market dynamics. If this ability is constrained then retailers could become insolvent or alternatively will need to recover cash flow discrepancies at a higher cost from customers. Changes to tariffs are not undertaken frequently by retailers and not without due consideration to all market forces. However, for example if the market is subjected to significant successive events like the introduction of a new carbon cost and a major wholesale market event, retailers should not be constrained from passing these costs through to customers in the most efficient manner, being as soon as possible.</p>
1.7	Specification of	The Law will provide that the standing offer,		Origin supports the publication of standing offers

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	terms and conditions	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.		on a retailer's website.
1.8	Standard retail contract terms and conditions in Rules	The Rules will contain (in a separate schedule) the terms and 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.		Origin does not support this amendment which imposes a model set of standard terms and conditions onto retailers. Retailers should have the option to either adopt the standard model terms or to establish their own terms which are not inconsistent to the model terms. A retailer's branding is one of the few differentiating factors in a commodity market and this can be expressed by using a consistent communication style. Origin would be prepared to support the requirement to submit terms to the AER for approval should they not use the model terms.
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"> 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 		Origin strongly supports the establishment of deemed supply arrangements in the law.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<ul style="list-style-type: none"> the terms and conditions specified in the Rules take effect as a contract between the customer and the retailer in accordance with the Rules. 		
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"> where a small customer occupies premises that are already connected to the distribution system and commences to take a supply of energy; and where a current standard or market contract terminates without new supply arrangements having been established, subject to any provision in the contract itself concerning the terms and conditions to apply on termination. 		
1.11	Tariffs, terms and conditions of deemed supply arrangements	<p>The Rules will provide that:</p> <ul style="list-style-type: none"> the tariff applicable to deemed supply arrangements is the standing offer tariff unless the retailer has published a deemed supply tariff; and the terms and conditions applicable to deemed supply arrangements are the relevant designated retailer's standard retail contract terms and conditions. 		<p>This provision is strongly supported as it provides Origin with the flexibility to apply a separate deemed supply tariff in order to accurately reflect the additional costs of supplying these customers</p> <p>A deemed supply arrangement can often involve an unknown customer which presents specific credit and identification risks and processes.</p>
1.12	Duration of deemed supply arrangements	<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 into a contract, the retailer will</p>		<p>A time limit for the application of a deemed supply arrangement is fundamental in the provision of this contractual arrangement and Origin is pleased to see that this amendment has now been embraced. This provides the ability to control the number of customers which choose to take no action without the need to impose the alternative which could be a much higher price</p>

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		<p>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>		<p>incentive mechanism. This provision allows a much fairer approach to manage those individuals that would otherwise cause increased costs to all users who value the deemed contract facility. For example many short term</p>
1.13	Notice requirements for deemed supply arrangements	<p>The Rules will require:</p> <ul style="list-style-type: none"> • 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); • 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. 	<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>	

No.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Retailer – small customer market retail contracts				
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.	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.	
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> <p>The Rules will contain (in a separate schedule) the minimum terms and conditions that must be included in market retail contracts.</p>	Part 2 of this Table sets out minimum terms and conditions for market retail contracts in the initial Rules.	Origin would argue that that the standard requirement for a shortened collection period should not be a minimum requirement in a market contract. If a customer chooses an alternative arrangement for a shortened collection period in return for another benefit (maybe a price reduction) than they should be allowed to accept this benefit. This provision is another constraint on the ability of retailers to provide innovative contracts that some customers will seek.

No.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
1.16	Definition of small customers for purpose of market retail contracts	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.		The aggregation of small customers is also a necessary feature of the definition. Origin is concerned that this feature does not appear in this version of the recommendations.

No.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
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"> • Prepayment meter contracts: <ul style="list-style-type: none"> • 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); • prohibition on entering into a prepayment meter contract with a customer with a life support system; • 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); • 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 • 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. 	Retail contracts where prepayment meters are involved are to form a specific type of market retail contract.	The terms specific to a prepayment or pay as you go market retail contract will depend on the technology offered to the customer, which will not always result in disconnection on non-payment, and may not require payment in advance (as is the case with a pay-as-you-go meter). Information display options and meter management systems vary- adding too much prescription in regulation may limit the cost and quality of technologies that may be deployed. The principles of such systems are the role of the Law and the Rules. Origin would not support limiting and restrictive regulation prescribing solutions in the Rules or regulatory codes.

No.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<ul style="list-style-type: none"> • variation of prepayment meter tariffs, undercharging, overcharging and recovery for illegal energy use. • Prepayment meter systems requirements: <ul style="list-style-type: none"> • 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 • requirements in relation to payment facilities. • Other matters: <ul style="list-style-type: none"> • a requirement for the retailer to establish a specific telephone service for enquiries, complaints and emergencies relating to prepayment meter systems; • 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 • retention of records in relation to the above. 		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Retailer – small customer marketing				
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.	Origin does not agree that specific regulation governing energy contract marketing is necessary. Marketing conduct can influence the terms of any contractual arrangement for a wide range of goods and services. Justification of energy specific regulation is necessary via a regulatory impact assessment.
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.		
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"> ▪ the retailer's own staff or officers; ▪ persons acting as agents of retailers; ▪ persons who are otherwise contracted by the retailer; ▪ persons who receive a commission from the retailers, in relation to marketing conduct for the purpose of gaining 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.		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Hardship				
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.	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).	
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"> • flexible payment options for payment of energy bills; • processes for the early response by both retailers and residential customers to energy bill payment difficulties; and, • processes for identifying appropriate government concession programs and financial counselling services to assist in hardship mitigation and notifying customers in hardship of their existence. 	New recommendation included due to feedback from submissions to Composite paper and consultation with stakeholders.	<p>Origin is disappointed that this issue has not been discussed previously and that now we find that clear policy decisions have been made without consultation. Origin believes it has been a "first mover" in the development of hardship programs in the energy industry. Origin's innovative approach to addressing this complex and sensitive issue has been acknowledged by customers, community groups, regulators and government. Moving forward Origin will continue to develop its various support programmes, ensuring our customers future needs are fully understood and supported.</p> <p>With regards to publishing our "Power On" policy document, Origin has previously sought counsel from customers and community groups with regards to how best to communicate our support programmes. The counsel received supported our own intelligence gathering, as in, the demographic most in need of support can be; less educated, have language difficulties and have literacy challenges. As such, any description of the available programmes need to be concise and to the point. Additionally, the language included in any such documentation needs to be respectful and empathetic enough to encourage contact from the small number of customers who may actually visit our website. Consequently, Origin sees little value in publishing a full policy document, Indeed we believe this could lead to confusion regarding our various support programmes and discourage customers from seeking support.</p>

				<p>The philosophy behind Origin’s approach to financially vulnerable customers is providing the most conducive environment for customers to self-identify. To achieve this, Origin endeavours to:</p> <ul style="list-style-type: none"> • Provide sufficient information to customers regarding the various payment solutions available and also about our approachability and flexibility. • Develop and maintain a respectful and sensitive approach to responding to customer calls – we seek to engage the customer in a conversation in which they are in control and where a realistic and manageable outcome can be agreed. • Be able to deliver services oriented specifically to financially vulnerable customers in a way which continues to be responsive to their needs after the initial contact and is flexible enough to be modified upon changing circumstances. <p>Consequently, Origin does not expect to be able to ascertain a customer’s financial situation without the engagement of that customer. As such, the provision of early intervention or response (as per the second dot point – <i>processes for early response...</i>) cannot be delivered without customer participation.</p>
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"> • be established having regard to a customer’s: <ul style="list-style-type: none"> • capacity to pay; • arrears; and • expected consumption needs 	New recommendation included due to feedback from submissions to Composite paper and consultation with stakeholders.	

		<p>over the following twelve month period.</p> <ul style="list-style-type: none"> include an offer for the customer to pay their energy consumption in advance or arrears by instalment payments; inform the customer of: <ul style="list-style-type: none"> the period or periods of the plan; the amount of each instalment and the frequency of instalments; if the customer is in arrears, the number of instalments to pay the arrears; and if the customer is to pay in advance, the basis on which instalments are calculated. <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.</p>		
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"> agreed to an instalment payment plan or other payment option to pay a bill offered by the retailer; adhered to the customer's obligations 	New recommendation included due to feedback from submissions to Composite paper and consultation with stakeholders.	

		to make payments in accordance with an agreed instalment payment plan or other payment option relating to the payment of bills.		
1.20E	Hardship indicators	<p>The Rules will provide that the AER must:</p> <ul style="list-style-type: none"> • undertake performance reporting on specific hardship indicators as established by the AER; • have regard to hardship indicators established in jurisdictional frameworks and the effectiveness of those indicators when developing national hardship indicators. 	New recommendation included due to feedback from submissions to Composite paper and consultation with stakeholders.	Origin would support a fulsome consultation process when determining the proposed hardship indicators.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Contractual model for customer distribution services				
1.21	Default model	The Law will provide for a contractual model incorporating deemed contractual arrangements between parties.		
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"> • 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; • 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 • 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. 	The national customer framework will not prevent negotiated distribution contracts but will also not prescribe the terms and conditions of any negotiated distribution contract.	Origin agrees with the alignment of the contractual models for both gas and electricity. This will facilitate a more equitable allocation of liabilities and risks particularly in the gas market.
1.23	Small embedded generators	See comment.	At this stage, SCO does not propose dealing with possible contractual arrangements between distributors and embedded generators. This is subject to implementation of arrangements	

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			<p>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>	

No.	Subject	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Distributor obligation to provide customer distribution services				
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"> • a distributor whose network services are subject to access regulation under the Rules; or • any other distributors identified by jurisdictional instruments under and for the purposes of the definition. <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>Origin supports the SCO recommendations that customers supplied off distributors that are not subject to access regulation or are part of an embedded network should also have the protection of the National Energy Consumer Framework. Moreover, Origin believes that any exemptions to this policy should also be embedded within the law. It appears a double standard if obligations to provide distribution services to customers are part of the law but opportunities to be exempt from this requirement are managed via subordinate legislation.</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"> • the connection of the premises to the distribution network to allow the flow of energy between the network and the premises; • 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); 	<p>The nature, scope and content of initial customer connection services are being dealt with concurrently, as part of the distribution connection & planning requirements work stream of the Network Policy Working Group (NPWG).</p>	

No.	Subject	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<ul style="list-style-type: none"> • maintaining the capability of the network to allow the flow of energy between the network and the premises through the connection; and • services relating to the delivery of energy to the customer's premises. 		
1.26	<p>Rules may further define customer distribution services</p> <p>Application procedures and</p>	<p>The Law will enable the Rules to supplement the definition of customer distribution services for various purposes of the new national customer framework. For example, services relating to metering-related responsibilities.</p> <p>The Rules may distinguish between different components of customer distribution services including:</p> <ul style="list-style-type: none"> • initial customer connection services: comprising those services provided leading up to, but not including, the establishment of a physical connection of a customer's premises; and • ongoing customer distribution services; comprising those services provided once a physical connection of a customer's premises is established. <p>It is ongoing customer distribution services which will be the subject of the contractual model for the new national customer framework.</p> <p>As matters of detail, the Rules will set out:</p>		

No.	Subject	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>energisation and re-energisation timeframes; and</p> <ul style="list-style-type: none"> • notice of the customer's rights in respect of the negotiation of different terms. <p>This information must be provided in circumstances specified in the Rules, including:</p> <ul style="list-style-type: none"> • on application for connection of the customer's premises; • on energisation of the customer's premises (if information not already supplied); • on request; • following any changes to the approved terms and conditions; and • on a request by the distributor or the customer to negotiate different terms 		

No.	Subject	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Distributor obligation to offer customer distribution services: customer connection				
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>	
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"> • payment for any augmentation, extension or other capital works to the distribution system if required to effect the connection; • completion of any works required for connection which are not part of the distribution system; • compliance with technical and safety requirements in relation to the customer's installation or equipment; and • provision of safe and unhindered access to meters and 	<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>Origin suggests that at the very least the distributor should be required to make an offer to connect which could be subject to requirements before the obligation to connect is triggered.</p>

	Right to offer of customer distribution services once physical connection established	other equipment of the distributor on the customer's premises. 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.		
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NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Distributor interface with customers				
1.27	<p>Establishment of deemed customer distribution contract</p> <p>Duration</p> <p>Negotiated customer distribution contracts</p>	<p>The Law will provide that upon connection of a retail customer's premises to a distribution system, or on the date a customer moves in to premises that are already connected, a contract is deemed to arise between the customer and the distributor on the terms and conditions of the deemed customer distribution contract applicable to that customer, except where a negotiated distribution contract exists.</p> <p>The deemed distribution contract (as amended from time to time where a Rule change occurs) will remain in effect while the customer is responsible to its retailer for the consumption of energy at the relevant premises or until the customer enters into a negotiated distribution contract with the distributor.</p> <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"> • 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; • coordination with the customer's retailer; and • any other requirements contained in the Rules. <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>SCO notes that breaches of the terms of the deemed distribution contract by the customer may result in disconnection and termination of the contract after due process, and breaches of the terms by distributors may result in enforcement action by the AER as a breach of the Law or Rules.</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>Origin supports the concept of deemed contract arrangement with distributors as it promotes the appropriate alignment of risks and liabilities between all parties.</p>
	Access regime still applies	The deemed customer distribution contract provisions do not affect the rights of a customer to negotiate for the direct provision of		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		distribution services in accordance with Chapter 5 and 6 of the NER or under an access arrangement in accordance with the NGR.		
1.28	Deemed customer distribution contract terms and conditions	The Law will authorise Rules to be made for the model terms and conditions of a deemed customer distribution contract.		
1.29	<p>Rules provisions</p> <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>	<p>The Rules will include the following provisions in relation to the distributor - customer relationship:</p> <ul style="list-style-type: none"> • 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). • 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- • Small customers will be defined in the same way as for the retailer obligation to supply. • Distributors must adopt and publish a customer distribution contract. <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 through a</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>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>The AEMC in assessing a rule change that amends the</p>	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
	<p>regulatory period</p> <p>Deemed customer distribution contracts for large customers</p>	<p>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>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>	
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>		
1.31	<p>Regulatory obligations - Rules</p> <p>Service standards</p>	<p>The Rules will include the following direct obligations in relation to the distributor – customer relationship:</p> <ul style="list-style-type: none"> A requirement that distributors must comply with any applicable service standards. 		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
	Grounds for disconnection	<ul style="list-style-type: none"> • The circumstances in which a distributor is entitled or required to disconnect customer premises, including: <ul style="list-style-type: none"> • in an emergency; • at the direction of a relevant authority; • for health and safety reasons; • at the request of the customer or its retailer; or • 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). 		
	Restrictions on disconnection	<ul style="list-style-type: none"> • The circumstances in which a distributor must not disconnect customer premises, these being: <ul style="list-style-type: none"> • after 3pm on a weekday, and on weekends and public holidays (for small customers only); • for electricity, if the address has a registered life support system; • where required notices have not been given; • where a complaint remains unresolved; or • if a distributor reasonably considers that disconnection would immediately endanger health or safety. 	SCO notes that there are some issues to be considered regarding implications of disconnection before or during certain public holiday periods.	
	Interruptions and curtailments	<ul style="list-style-type: none"> • The circumstances in which a distributor is entitled or required to interrupt or curtail the supply of energy to 		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
	<p>Reconnection</p> <p>Dispute resolution</p> <p>Information provision</p> <p>Fault reporting and correction</p> <p>Small customer negotiated customer distribution contracts</p>	<p>customer premises, including:</p> <ul style="list-style-type: none"> • planned interruptions subject to prescribed advance notice periods; • 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 • for health and safety reasons or in an emergency, including at the direction of a relevant authority. <ul style="list-style-type: none"> • A requirement that distributors reconnect a disconnected customer if the reason for the disconnection has been removed. • A requirement that distributors must comply with any applicable jurisdictional dispute resolution requirements • Requirements for distributors to provide information to a customer or its retailer on request about the customer's consumption, network tariff or connection. • Requirements concerning the maintenance by distributors of a 24-hour fault information and reporting line. • Protections for small customers in relation to negotiated customer distribution contracts, including protected terms and cooling-off periods. 	<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>	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
	Distributor compliance with deemed customer distribution contracts	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.	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.	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Distributor interface with retailers				
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>Origin agrees with the proposal that a deemed Retail Support Contract (RSC) will exist for both gas and electricity. Previous experience has shown that there is almost no ability for retailers to negotiate with monopoly distributors on these matters.</p>
1.33	<p>Establishment of default Retail Support Contracts</p> <p>Negotiated Retail Support Contracts</p> <p>Customer variations</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 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</p>	<p>Distributors and retailers will need to reach agreement where necessary to do so for such specific circumstances.</p>	<p>This is a good provision which ensures that the very least a deemed RSC contract will exist between the parties.</p> <p>Again, this position is strongly supported by Origin.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		customer connection and distribution services) with the distributor that require different arrangements.		
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.		
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"> • 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. 	<p>For the avoidance of doubt, SCO considers that a schedule capable of adoption means a schedule that is, for all intents and purposes, 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>Default Retail Support Contract</p> <p>AER approval</p>	<p>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.</p> <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"> • Customer service and network performance standards applicable to the distributor; • Any specific characteristics of the distributor's network; 	<p>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.</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>The provisions allowing variations to the RSC would be better placed in the law rather than in the rules to ensure they have the same standing.</p> <p>Origin queries why proposed variations to the model terms would be reviewed by the AER and not the AEMC which is the rule making body.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<ul style="list-style-type: none"> • Consistency with the regulatory obligations of retailers to customers; and • The statutory objectives of the NEL and the NGL. <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>		
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"> • a default RSC; • an AER approved RSC; or • a negotiated RSC. <p>Compliance will therefore be both a contractual obligation enforceable between the parties and a regulatory obligation enforceable by the AER.</p> <p>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.</p>		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
Distributor interface with embedded generators			
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>	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Retailer business authorisation				
1.38	Substantive obligations as licence conditions	Substantive regulatory obligations will be contained in the Law and Rules rather than in licence conditions.		Origin supports this initiative.
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.	No national distributor authorisation will be introduced as part of the new national customer framework legislative package. Therefore the new general prohibition will not extend to a prohibition on carrying on a distribution business without a national business authorisation. Jurisdictional licensing will remain in place for safety and technical matters.	
1.40	Entry tests Financial viability Suitable person Market operator registration	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. 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: <ul style="list-style-type: none"> • financial viability – that the applicant has the financial resources required to undertake the relevant activity; • A broad suitability criterion – that the applicant is a suitable person to hold the authorisation; • Criterion relevant to national energy and financial market participation– that the applicant is registrable 		Origin requests that the entry tests for a retail authorisation be structured in a manner that will prohibit the ability of rogue retailers and responsible directors that have previously triggered a ROLR event in order to manage financial risk, with the intention of re-entering the market at a later time.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		by NEMMCO or the relevant gas market operator in accordance with any registration requirements under the NER or NGR.		
1.41	Removal of overlap with NEMMCO registration	<p>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:</p> <ul style="list-style-type: none"> • NEMMCO requirements with respect to financial viability will be limited to satisfaction of the market prudential requirements under chapter 3 of the NER; • 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). 		
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.	
1.43	Treatment of existing licensees	Retail businesses that hold current jurisdictional licences will transition to the national business authorisation without further processes.		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
1.44	Exemptions	<p>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>	<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"> ▪ Specific exemption for one or more retailer authorisation obligations; ▪ Exemptions for particular activities; and ▪ Holders of a jurisdictional exemption 	<p>With such importance placed on the need for specific energy regulation delivered by suitably authorised retailers, Origin sees no reason why exemption provisions should not also be held as equally important and therefore reside in the law rather than rules and guidelines.</p> <p>Origin also believes that existing jurisdictional exemptions should not carry over to the national regulatory regime. All exemptions should be re-assessed under new law with perhaps the allowance for a transitional period for this process to be undertaken. In the past exemptions have been given with no ongoing monitoring or control. Exemptions should be minimised and registered otherwise they will be invisible to the market.</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>		
1.46	Revocation	<p>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 of Last Resort project, but the key elements of such a regime would include:</p> <ol style="list-style-type: none"> 1. The relevant matters that must be satisfied before the AER can consider revoking an authorisation such as: <ul style="list-style-type: none"> • There must be a history of demonstrated and 		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>persistent breaches of the Rules with material consequences for third parties.</p> <ul style="list-style-type: none"> • 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. • A 'materiality' requirement will take into account both impacts on market participants and customers, and the cost and effort of compliance actions. <p>2. Procedural fairness requirements which would include:</p> <ul style="list-style-type: none"> • Notice and opportunity to rectify and be heard by the retailer. • Consultation with relevant market operators. • Provision of reasons for the decision to revoke. <p>3. Managing the orderly transfer of customers of the retailer and any other obligations.</p>		
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 information to be included in the register.		
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.	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Enforcement mechanisms				
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"> • a requirement for regulated entities¹ to establish systems and procedures to monitor regulatory compliance, in accordance with reporting requirements issued by the AER; • a requirement for regulated entities to notify the AER of breaches of regulatory obligations, in accordance with guidelines issued by the AER; • 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 • a requirement for the AER to report on its compliance monitoring and enforcement functions. 	<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>	Origin supports a thorough consultation process to determine the compliance reporting arrangements and enforcement functions.
1.79	Court based enforcement mechanisms	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 designated as civil penalty provisions.	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.	Origin disagrees with this recommendation. The need for court-based enforcement has not been required for a failure of a retailer to comply with non-economic regulation. Court based action would be required in the circumstance where a licensee repeatedly and systematically failed to meet its material obligations. Civil penalties should not refer to specific obligations but to instances where remedial action was not taken by

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

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
				a regulated entity following systematic non-compliance of a material nature.
1.80	Additional powers for courts to make orders	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"> • 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; • The regulator is not in a position to know or plead the quantum damage allegedly suffered by a third party; and • There may be undue pressure from third parties on the regulator because of the possible financial advantage they may get from the proceedings. 	
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.		This adds another layer of enforcement that could have cost implications and Origin sees no justification for its introduction.
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).		
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		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		enforcement mechanism to address one-off breaches.		
1.84	Additional enforcement issues – conduct provisions	<p>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>	<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>The regulator has a range of options available to it in dealing with non-material, non-systematic breaches without resorting to the use of the lower courts, which include enforceable undertakings and infringement notices.</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"> • disputes between regulated businesses and small customers; and • disputes between gas distributors and retailers. <p>Where court based remedies are to be used, enforcement in 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.</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 retailers, SCO considers that there are adequate mechanisms in place under the national gas access arrangements for resolving disputes between gas distributors and retailers.</p>	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENTS	ORIGIN ENERGY RESPONSE
Statutory objectives				
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.		Origin is also of the view that the current objectives of the NEL and NGL are adequate for the new national customer framework. Any further objectives will likely complicate the assessment of regulation against the objectives as conflicting incentives will emerge.
1.86	Supplementary objectives	No supplementary objectives will be introduced for the new national customer framework.		Origin supports this proposal.

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	ORIGIN ENERGY RESPONSE
Calculation of Charges				
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>Market Retail Contract Annotation</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 in accordance with requirements set out in the contract.</p>	<p>SCO notes that separate transitional provision will be made for jurisdictions where a regulated tariff continues.</p>	<p>As per 1.6 – Origin reiterates its positions on this issue.</p> <p>Variations to standard offer tariffs should not be required to be published 20 business days in advance to the variation taking effect because:</p> <ul style="list-style-type: none"> • This could leave retailers financially exposed if similar notice of distribution cost increases is not aligned. • Previous experience has shown that delays in approval of regulated prices have often occurred and that a 20 day notice period unreasonably extends a retailer's financial risk. <p>Origin does not support this provision and believes that if a notice timeframe is considered necessary then it should be no more than 10 business days. There is no rational reason to limit the time period between price variations by retailers to 6 months.</p> <p>Retailers operating in a competitive market need to be able to efficiently respond to the market dynamics. If this ability is constrained then retailers could become insolvent or alternatively will need to recover cash flow discrepancies at a higher cost from customers. Changes to tariffs are not undertaken frequently by retailers and not without due consideration to all market forces. However, for example if the market is subjected to significant successive events like the</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
				introduction of a new carbon cost followed by a major wholesale market event retailers should not be constrained from passing these costs through to customers in the most efficient manner, being as soon as possible.
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"> • where the customer consents to the use of estimates by the retailer; • where the retailer is not able to reasonably or reliably base the bill on a meter reading; or • where metering data is not provided to the retailer by the distributor or other responsible person. <p>Market Retail Contract Annotation</p> <p>May be varied by agreement in market retail contracts.</p>		Origin agrees that this provision can be varied under a market contract as this will allow flexibility for the customer to choose alternative arrangements where they are beneficial.
2.3	Meter reads	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.		Based on recent discussions Origin believes there is a typo in this section and that the word "standard" is deleted and that this provision applies to all retail contracts.
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"> • the customer's reading of the relevant meter; • historical meter data for the relevant customer reasonably available to the retailer; or • where there is no historical meter data for the relevant customer, the average usage of energy by a 		This provision should allow for adjustment to subsequent bills where a retailer has previously issued a bill based on a estimated read and then obtains an actual read. The actual read reveals that the past bills have been over or under estimated. Origin refers the SCO to the latest drafting of this type of clause being clause 4.10.3 of the QLD Electricity Industry Code.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>comparable customer over the corresponding period.</p> <p>Market Retail Contract Annotation</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>		
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"> • the amount payable each month is initially the same; • 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; • the retailer re-estimates consumption after 6 months on the basis of a meter read; and • 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. <p>Market Retail contract Annotation</p> <p>May be varied by agreement in market retail contracts.</p>		<p>Origin has chosen not to offer bill smoothing arrangements due to these onerous obligations particularly the requirement to do re-estimates after six months. Origin believes that due to seasonality that this should only be mandated after at least 12 months. This requirement under bullet point 3 should be deleted with greater flexibility allowed in the whole process.</p> <p>Origin strongly supports the proposal to allow this provision to be varied by agreement in market retail contracts.</p>
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>		
Termination				
2.7	Retailer termination	A retailer may terminate a small customer supply contract		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>where:</p> <ul style="list-style-type: none"> • the retailer has a contractual right to disconnect, disconnection has occurred and there is no contractual right to reconnection; • the small customer and the retailer have entered into a new customer contract; or • financial responsibility for the small customer has transferred to another retailer. <p>Market Retail Contract Annotation</p> <p>Market retail contracts may provide for additional termination events, but must not vary the provisions relating to disconnection.</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>Market Retail Contract Annotation</p> <p>A small customer is required to give no more than 28 days notice to terminate a market retail contract.</p>		This provision needs to reinforce that for insitu transfers a customer is still responsible for the energy consumed under the existing contract until the transfer has completed.
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"> • the small customer still owes that retailer in relation to the supply of electricity to another address; • the customer has unlawfully acquired energy within the past two years; • the customer has refused to provide acceptable identification to the retailer; or • the retailer reasonably considers that the customer does not have a satisfactory credit history. 	SCO considers that provision for instalment payment for security deposits more appropriately deals with the issue of customer credit risk.	Origin agrees with the amendments made in this version however, the requirement to make payments of security deposits in instalments should be at the discretion of the retailer. Retailers need to be able to make their own decisions with regard to credit risk particularly as this provision will also apply to non residential customers.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		Payment of a security deposit in instalments will be provided for. Market Retail Contract Annotation May be varied by agreement in market retail contracts.		
2.10	Information about credit history	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: <ul style="list-style-type: none"> • that the retailer has decided the customer has an unsatisfactory credit history; • the reasons for the retailer's decision; • of the customer's rights to dispute the decision of the retailer; and • that the customer has the right to obtain details in relation to the information on which the retailer's decision was based. 		
2.11	Amount of security	The amount of security may not exceed: <ul style="list-style-type: none"> • 1.5 times the average quarterly bill (for customers on a quarterly billing cycle); • 2.5 times the average monthly bill (for customers on a monthly billing cycle); or • 2 times the average monthly bill (for customers on a two monthly billing cycle). Market Retail Contract Annotation May be varied by agreement in market retail contracts.		Average security deposit amounts are imprecise and should instead reflect the relative size of a customer based on historic consumption or billing unless of course no history exists. If this is the case then the average of a customer population should be used. Origin refers the SCO to the Victorian Energy Code clause 8.1(b). This should also not be prescribed for non residential customers due to the much higher risks involved.
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.		A market contract annotation is required allowing negotiation of interest to be applied for business customers.
2.13	Application of security	The retailer may only apply a security deposit to off-set		A market contract annotation is required allowing

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		<p>amounts owed to it where the customer has failed to pay a final bill and:</p> <ul style="list-style-type: none"> • the failure results in disconnection by the retailer and there is no contractual right to reconnection; • the customer vacates the property; • the customer requests disconnection; or • the customer transfers to another retailer. <p>The retailer must account to the customer within 14 days after application of the security deposit.</p> <p>Market Retail Contract Annotation</p> <p>May be varied by agreement in market retail contracts</p>		<p>negotiation of the application of security amounts for non residential customers.</p> <p>For consistency Origin proposes that 14 days be amended to 10 business days.</p>
2.14	Repayment of security	<p>The retailer must repay a security deposit to the customer:</p> <ul style="list-style-type: none"> • after the customer has completed: <ul style="list-style-type: none"> • in the case of a residential customer – 12 months; • in the case of a non-residential customer – 2 years of on-time payment of energy charges; or • where the customer ceases to take supply from the retailer at the relevant address and there is no debt outstanding. <p>Market Retail Contract Annotation</p> <p>May be varied by agreement in market retail contracts.</p>		<p>Origin proposes that words “<i>of good payment history</i>” be inserted before12 months and that “2 years” be changed to 24 months for consistency.</p>
Billing, apportionment of payment, disputes				
2.15	Frequency of bills	<p>Energy bills must be issued by the retailer at least every three months.</p> <p>Market Retail Contract Annotation</p> <p>May be varied by agreement in market retail contracts.</p>		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
2.16	Content of bills	<p>A bill should include the following content:</p> <ul style="list-style-type: none"> • customer's name, account number and address; • meter identifier; • bill period; • due date; • amount of arrears or credits; • relevant tariff; • 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; • values of meter readings (or, if applicable, estimations) at the start and end of the billing period; • details of consumption or estimated consumption; • pro rata billing information (if applicable); • any amount deducted, credited or received under a Government rebate or concession scheme or under a payment plan; • the amount of any security deposit; • the basis on which charges are calculated, including fixed and variable charges and other miscellaneous fees or charges applicable to the small customer; • details of the available payment methods; • reference to any available government funded concessions or rebates; • telephone number for account and fault enquiries; • contact details for complaints; and • availability of interpreter services in community languages. 		Origin is pleased to see the amendments to this section as per our previous submission.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		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.		
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>Market Retail Contract Annotation</p> <p>May be varied by agreement in market retail contracts.</p>		
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>Market Retail Contract Annotation</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>Origin supports the variation in the apportionment of payment under a market contract.</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>		<p>This provision will require flexibility and consideration when mass market interval metering becomes commonplace. Will retailers be expected to provide a file with more than 17,520 interval observations, or aggregated data?</p>
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 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"> • the portion of the bill under review which is not in dispute; or 		<p>Origin is pleased to see the amendments to this section as per our previous submission.</p>

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		<ul style="list-style-type: none"> an amount equal to the average amount of the customer's bills over the previous year (excluding the bill in dispute), <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"> correct, the customer must pay the amount outstanding; or incorrect, the retailer must adjust the bill accordingly and refund any fee paid in carrying out any metering test. 	<p>This clause does not prevent the customer from referring a dispute according to the relevant ombudsman scheme.</p>	
Undercharging and overcharging				
2.21	Undercharging	<p>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 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>Undercharging due to unlawful actions should extend to an occupier of a supply site or sites (see for example clause 4.8.1 of the Queensland Electricity Industry Code).</p> <p>Additionally this clause should not apply where estimated reads have been used (see Origin response 2.4 above).</p> <p>The restriction of recovery to 12 months for non residential customers is not sufficient. Non residential customers are liable for inputs to their business supplied by third parties in the normal pursuit of their commercial objectives. There is no reason why recovery should be restricted to 12 months.</p> <p>There should also be an annotation that this provision can be varied for market retail contracts.</p>
2.22	Overcharging	<p>A retailer must promptly inform the customer within 10 business days of becoming aware of an overcharge that</p>	<p>The initial overcharge threshold amount is proposed to be \$50.00.</p>	<p>Origin supports the amendments to this section as per our previous submission.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>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 retailer must credit the customer's next bill unless otherwise directed by the customer.</p>		
Payment methods and difficulties				
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"> • in person; • by telephone; • by mail; or • by direct debit. <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>Market Retail Contract Annotation</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>		
2.24	Payment difficulties	A customer may be offered a payment plan if:	The extent of circumstances under which retailers are obliged to offer	Once again Origin requests that the second dot point be removed as retailers are not able to assess when

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		<ul style="list-style-type: none"> • the customer informs the retailer that it is experiencing payment difficulties; or • it becomes apparent to the retailer that the customer is experiencing payment difficulties <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>instalment payment plans and other services to hardship customers are separately covered under recommendations 1.20A-1.20E.</p>	<p>a customer is experiencing payment difficulties. Customers must have the responsibility to self identify any payment difficulties.</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"> • has complied with the requirements as to assessing whether the customer is experiencing payment difficulties; • is satisfied that there are no apparent bill payment difficulties; • has given to the customer: <ul style="list-style-type: none"> • reminder notices for two consecutive bills or disconnection warnings for two consecutive bills; and • prior to the second reminder notice or second disconnection warning a notice informing the customer that; <ul style="list-style-type: none"> a) receipt of the second reminder notice may result in the customer being placed on a shortened collection cycle b) being on a shortened collection cycle means that the customer will not receive a reminder notice until the 	<p>SCO seeks comment on the effectiveness of shortened collection periods for managing customer debt.</p>	<p>The ability to negotiate terms for a shortened collection period needs to be available under a market contract. Some customers may seek similar provisions in a market contract if they could receive other benefits. This can be a very effective collection mechanism that will suit some customers.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>customer has paid three consecutive bills in the customers billing cycle by the pay by date</p> <p>c) alternative payment arrangements may be available; and</p> <p>d) the customer may obtain further information from the retailer (on a specified telephone number)</p> <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>		
Disconnection				
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"> • has not paid a bill for energy services; • has failed to provide security requested by the retailer (which it is entitled to request); • has denied access to a meter for three consecutive scheduled readings without reasonable excuse; • has refused to provide acceptable identification; • has acquired energy illegally; • has obstructed an authorised person in relation to acts to be done under the contract; and/or • (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. 		<p>Origin reiterates comments from its previous submission:</p> <p>The denial of access to a meter referred to in the third dot point over three scheduled readings as grounds for disconnection should not be qualified by the reasonableness of the denial of access. This qualification should be deleted since the allowance of nine months to provide access for a domestic customer provides adequate time for access to be granted and disconnection avoided.</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</p>		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>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 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"> • a reminder notice; and • a combined (second) reminder and disconnection notice, <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>Current retail codes furnish retailers with options to contact customers prior to disconnection. The retention of this flexibility is important in the development of a national framework, rather than a prescriptive approach.</p> <p>It is important that the due date for payment on the first reminder notice should remain as the same date on the original bill. In other words the reminder notice should state that payment is "Now Due". The disconnection notice should state that payment is "Now Due" and that disconnection will occur in five days if payment is not made.</p> <p>There should be no provisions to extend the due date with each notice.</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</p>		<p>Origin reiterates its comments from the previous submission.</p> <p>The second sentence in the first paragraph should be deleted. It is not supported by current jurisdictional code requirements and has the effect of perpetuating the basis for disconnection in the first place, for example, failure to meet a previous instalment plan.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		above are remedied within 10 business days. Retailers must make appropriate arrangements with the relevant distributor to ensure that reconnection occurs as soon as possible for the customer.		
Liability and warranties				
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"> • 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 • 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). <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>	
Miscellaneous				
2.31	Prepayment meters	A customer may agree but cannot be required to use a prepayment meter.	<p>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.</p> <p>SCO considers that market retail contracts are the appropriate vehicle</p>	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
			<p>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>	
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.		The treatment of supplier/customer disputes is not distinct in the case of gas and electricity supply, nor should processes be unique to jurisdictions. Current Australian Standards for dispute resolution should be utilised.
Additional provisions required in market retail contracts				
2.33	Cooling-off period	<p>Market Retail Contract Annotation</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>		
2.34	Dual fuel contracts	<p>Market Retail Contract Annotation</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 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.</p>		
2.35	Early termination charges	<p>Market Retail Contract Annotation</p>		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<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"> • the market retail contract includes details of the amount or manner of calculation of the early termination charge; and • the early termination charge is a reasonable estimate of the cost to the retailer resulting from the early termination. 		
Other provisions contemplated by AAR				
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.		Origin supports this provision.
2.37	Customer consultative groups	The AER must establish a customer consultative group.	To be a direct obligation.	
2.38	Discrimination based on customer supply or use of alternative energy sources	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 the designated retailers and this does not permit such discrimination.	Agree with the non inclusion of this provision as it is covered by obligations to supply.
2.39	Fees for late payment	<p>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.</p> <p>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.</p>	The amount of the late payment fee may be set by jurisdictions where retail price regulation continues	Origin supports this provision if clarity is sought however, it could be improved if it also made reference to the fee being fair and reasonable and then it could avoid jurisdictional intervention. Market forces will also manage this issue.
2.40	Compensation for wrongful disconnection	Retailers are not required to pay compensation to customers who are wrongfully disconnected.		Origin supports this approach.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Provisions to be included in the Rules				
2.41	Communications with customers	A retailer must provide access to multi-lingual services (for 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.		
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.	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.	Standing contract prices should be published on retailers' websites. Market contract prices can have a limited duration and application and it would be confusing to the market if their publication was ever mandated. There will be a clear opportunity in the market for intermediaries to deliver a comparative pricing and contract service. This issue was consulted on by the AEMC and their consultant's report actually advised against a regulatory provision to mandate market pricing information as it could create tacit collusion in the market and constrain competition.
Provisions subject to separate policy review				
2.44	Consumption graphs	Bills to include bill benchmarking data.	The arrangements for presentation of this information are currently being developed by the Consumer Information Implementation Committee.	Origin is participating in this process.
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.	Origin believes that this provision is superfluous. In the current environment it is normal business practice for retailers to offer energy efficiency advice. All retailers will be subject to state and federal legislation that mandates the achievement of energy efficiency targets for small customers.
2.46	Greenhouse gas emissions information	Bills must include information concerning greenhouse gas emissions in accordance with guidelines.	The arrangements for presentation of this information are currently being	Origin is participating in this process.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
	on bills		developed by the Consumer Information Implementation Committee.	
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.	The delivery of any CSO by retailers must only be allowed where retailers are given full cost recovery for both administration and system costs related to the implementation of the CSO. The delivery of any CSO must also entail full consultation with retailers and ensure that suitable timeframes are agreed for such implementations.
2.48	Service standards	Retailers must comply with specified service standards.		A comprehensive consultation process including a cost benefit analysis should be undertaken before any specified service levels are introduced.

Part 3 – Regulation of marketing conduct

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

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
3.1	Pre-contractual disclosures - timing/form	<p>A retailer must provide a small customer with certain specific information as follows:</p> <p>(a) prior to formation of a market retail contract: where the prescribed matters may be disclosed in writing, electronically or verbally; and</p> <p>(b) as soon as practicable after formation of a market retail contract: pursuant to a single written disclosure statement (unless such disclosure statement has already been provided).</p>		
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) prices, charges, penalties, billing and payment arrangements: 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) contract duration: 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) cooling-off period: details of rights to rescind the contract, including how to exercise these rights;</p> <p>(d) electronic transactions: 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</p>		<p>Origin does not agree with the inclusion of (e) as a disclosure requirement. Standing Offer contracts are an artefact of pre-contestability and require a marketer to inform a potential customer of the existence of a (potential) competitor's product. One of the very justifications for the FRMP model was that it progressively limits the number of customers that return to the incumbent retailer upon a site vacation. This obligation will counter this objective and should be removed.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>contained in the electronic transaction; and</p> <p>(e) standard retail contracts: 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>		
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>		
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>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> <p>(a) the marketer's first name;</p> <p>(b) any relevant identification number;</p> <p>(c) the name of the retailer on whose behalf the marketing contact is being made and contact details for the retailer;</p>		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>(d) sufficient contact details to enable the customer to contact the marketer; and</p> <p>(e) advice as to the purpose of the marketing contact.</p> <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>		
3.7	Training	Retailers must ensure that marketers are appropriately trained in relation to compliance with marketing obligations.		Origin supports the concept of using trained personnel for this activity but this is an input which should not be regulated, rather the output of ensuring compliance to the marketing obligations is what should be regulated. Care in the drafting should be taken to not impose specific training requirements onto retailers.
3.8	Record keeping	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 informed consent obtained by a marketer for a specified period after such consent is obtained.		The retention of records over extended periods is an expensive process so Origin would support consideration of this fact when determining the specified period.
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.		Origin suggests that a condition should be placed on this requirement to ensure it is based on reasonable view that a non compliance has occurred. Audits can be expensive and intrusive.
3.10	Contact records and contact times	The national customer framework will not deal with these matters.	These matters are captured by generic customer marketing regulation.	

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	ORIGIN ENERGY RESPONSE
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.		
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.		
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"> • the date the customer is disconnected in accordance with the disconnection procedures and any right of reconnection has expired; • the customer ceasing to be responsible for energy consumption at those premises following a specified period of notice to its retailer; • the effective date of a negotiated distribution contract for the premises; or • the date otherwise agreed between the customer and the distributor. 		
4.4	Interruptions to supply	The contract will refer to the provisions of the Rules in relation to interruptions and curtailments to supply.		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
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"> • frequency and duration of supply interruptions; • timely notice of planned interruptions; • quality of supply (excluding frequency) for electricity (this could include voltage variations); • wrongful disconnection; • timeframes for reconnection; • being on time for appointments; • response times for fault calls; and • provision of fault information. 	<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>	
4.6	Liability and warranties	<p>The following limitations of liability may be included:</p> <ul style="list-style-type: none"> • implied terms and warranties may be excluded to the extent permitted by law; • no liability for supply interruption or disconnection to the extent the distributor is entitled to do so under Law, Rules or contract; • no liability for reliability or quality of supply, except to the extent caused or contributed to by the distributor's default or negligence; and • contractual force majeure. <p>The contract should state that none of these limitations</p>	<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.</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>Where a retailer has requested disconnection and a distributor fails to do so, the distributor will be liable for its own network charges and any energy costs associated with continued consumption until the site is disconnected.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		will limit any obligation to make a GSL/compensation payment.		
4.7	Provision of information	The customer distribution contract may include an obligation on the distributor to provide information to a customer or its retailer on request about that customer's consumption, connection or applicable network tariff.		
4.8	Disconnections and reconnections (excluding temporary supply interruptions)	<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"> • after 3pm on a weekday, and on weekends and public holidays (for small customers only); • for electricity, if the address has a registered life support system; • where required notices have not been given; • where a complaint remains unresolved; or • if a distributor reasonably considers that disconnection would immediately endanger health or safety. <p>Reconnection should be effected:</p> <ul style="list-style-type: none"> • as soon as practical and within one business day after the reason for disconnection has been removed and the customer requests; 	<p>Reconnection within one business day will be the standard timeframe for metropolitan customers. Arrangements may be put in place by jurisdictions to vary this for designated remote areas.</p>	<p>Origin notes the amendments made to this provision but also suggests that words "unless otherwise requested by the customer" should be added to the first dot point.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>and</p> <ul style="list-style-type: none"> • 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. <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>		
4.9	Fault reporting and correction	Provision of 24-hour fault information and reporting line.		
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>	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.	Origin suggests that it would be appropriate for distributors to also be mandated to be members of an ombudsman scheme.
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"> • theft/unauthorised supply; • provision of safe and unhindered access to meters and other equipment of the distributor; • protection of/tampering with distributor equipment on premises; 		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<ul style="list-style-type: none"> • safety of customer installation; • compliance with any restrictions on consumption or use of energy; and • requirements to notify certain events (eg faults, leaks, change of use, safety requirements). 		

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	ORIGIN ENERGY RESPONSE
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.		Origin believes that some flexibility should be maintained in this requirement especially as connections are not core business for retailers and to allow for batch processing.. One business day should be reverted to “in a timely manner”
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>	
5.3	Customers covered by the RSC	<p>The RSC will define mutual customers of the distributor and retailer by reference to:</p> <ul style="list-style-type: none"> • customers that are connected or seeking to be connected to the distributor's infrastructure; and 		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<ul style="list-style-type: none"> customers in respect of which the retailer has financial responsibility. 		
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>		<p>Origin supports the additional provisions outlined in second paragraph.</p> <p>Where illegal use or fraud has taken place the retailer should not be liable for unrecovered costs associated with the distributors' services.</p>
		<p>Payment provisions will cover matters such as:</p> <ul style="list-style-type: none"> invoicing; use of meter data/estimates; adjustment of accounts for changes to meter data or correction of errors; over/under charging; interest on late payments; and disputes. <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</p>		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>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>		
5.5	Changes in network tariffs or customer distribution services	<p>The RSC will cover:</p> <ul style="list-style-type: none"> • 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 • notification by the distributor to the retailer of general changes in its network tariffs or other relevant charges. 		Distributors should inform retailers of proposed tariff changes at the time such changes are brought to the attention of the regulator.
5.6	Information sharing to facilitate single billing, billing disputes	<p>The RSC will require:</p> <ul style="list-style-type: none"> • the distributor to provide certain information to the retailer to facilitate customer billing by the retailer; and • the parties to cooperate in relation to customer billing disputes. 		
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	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.	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		the credit support, when it may be drawn and other matters.	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	
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 transferred to a retailer of last resort).</p>		
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.	
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"> • 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; • mutual indemnities, for example, in relation to customer claims for unlawful disconnection caused by the respective parties; • third party claims procedures; and • liability caps, exclusion of warranties and 	<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>	Origin suggests that the area of illegal use leaves retailers excessively exposed as they have no control of the physical assets or attend the site at any time to identify suspicious circumstances.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		implied terms, preservation of statutory instruments.		
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"> • 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); • disconnections at the request of a customer (parties obliged to inform each other if they receive such a request); • acknowledgement by the retailer of other circumstances where the distributor is entitled to disconnect; • the procedural requirements for reconnection. 		
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.	AAR suggests this as an optional component of the RSC. SCO intends to adopt this provision.	Origin would support this provision as it will assist in managing customer expectations.
5.13	Information sharing to facilitate connection, disconnection	See comments in relation to connection and disconnection above.		
5.14	Handling of fault complaints	<p>The RSC will provide for:</p> <ul style="list-style-type: none"> • the retailer to transfer or (if transfer is not technically possible) refer to the distributor 		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>customer calls in relation to faults or emergencies; and</p> <ul style="list-style-type: none"> the information to be provided by the distributor to the retailer in this regard, and what information the retailer may provide to the customer. 		
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 requiring the parties to cooperate in addressing such complaints.		
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>		
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"> 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; obligations on both parties to notify the other if they become aware of any change to access conditions to a customer premises. 	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.	
5.18	Information sharing in relation to customer	The RSC will include additional obligations for the parties to share information such as:		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
	information and planned and unplanned outages	<ul style="list-style-type: none"> • 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; • the provision of information in relation to planned and unplanned outages by the distributor to the retailer, consistent with obligations to provide the same information to the customer (and associated referral provisions, similar to faults, as discussed above); and • a general obligation to provide information required by the other party to carry out its obligations under the RSC. 		
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.		Retailers will provide information to customers on behalf of the distributor if the distributor agrees to compensate the retailer for the cost of doing so on a commercial basis.
5.20	Information sharing to facilitate churn	See comments above in relation to sharing customer information.		
5.21	Communications generally	The RSC may provide for the parties to develop communications protocols.		
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.		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
5.23	Dispute resolution	Dispute resolution procedure to be included.	<p>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.</p> <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>	

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	ORIGIN ENERGY RESPONSE
Ring-fencing				
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"> • legal separation of the entity conducting a distribution <u>business</u> from other related businesses; • keeping separate and consolidated accounts for distribution services and other services; • cost allocation principles and methodologies in relation to the allocation of costs between distribution services and other services; • limitations on sharing of staff between the network service provider and related businesses; and • measures to ensure the network service provider's dealings with related parties are not on preferential terms. <p>Requirements relating to the use and disclosure of confidential information obtained by the network service provider should be dealt with in the NER.</p>	A legislative and rules package is being developed for appropriate ring fencing requirements through the NPWG in a parallel work stream.	
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.		
1.51	Waiver of ring-	The NEL should authorise the AER to grant waivers from the ring-fencing requirements in equivalent		

NO.	SUBJECT	AAR RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
	fencing requirements	terms to section 121 of the exposure draft of the NGL (but incorporating criteria to be applied by the AER in granting waivers).		
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.		
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.		

NO.	SUBJECT	AAR RECOMMENDATION	COMMENT	ORIGN ENERGY RESPONSE
Retailer failure arrangements				
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 (<i>ROLR scheme</i>) 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"> • to ensure that customers of the failed retailer continue to receive energy services; • to manage the risks and costs of retailer failure; and • to ensure the integrity of the wholesale market settlements and network balancing arrangements in the relevant market. 	Please see SCO Policy Paper for further information relating to ROLR arrangements.	
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"> • 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; • provisions specifying the process for and method of appointment; • provisions defining the events that trigger the ROLR's supply obligations; • 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 • provisions establishing the basis for determining the prices and terms and conditions of supply, and defining the duration of the ROLR's supply 		

NO.	SUBJECT	AAR RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		obligation.		
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"> • a contract may be deemed to exist between the ROLR and the customers of a failed retailer; and • contracts between the failed retailer and its customers may be deemed to be terminated or varied. 		
1.57	Obligations on other market participants	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.		
1.58	Insolvency issues	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.		
1.59	Process for making initial Rules	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>The SCO has engaged AAR and NERA to examine ROLR arrangements within Australian jurisdictions and overseas and to prepare a document outlining possible national arrangements. This document may then provide the basis of a direction to the AEMC or, preferably, will be capable of being turned into drafting instructions.</p> <p>AAR and NERA will be conducting public consultation on ROLR arrangements.</p>	Origin is participating in this process.

NO.	SUBJECT	RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Customer registration and transfer				
1.60	Electricity registration and transfer framework	<p>The NEL will authorise the Rules to provide for:</p> <ul style="list-style-type: none"> • 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 • procedures for the efficient transfer of consumers between retailers subject to all applicable laws, <p>for the purposes of facilitating the efficient and effective billing of retail and network tariffs and charges and wholesale market settlement.</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>	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.	
1.62	Electricity connection point registration NMI standing data	<p>The NER will include provisions:</p> <ul style="list-style-type: none"> • 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; • limiting disclosure of NMI standing data by NEMMCO to the 	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	

NO.	SUBJECT	RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		<p>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;</p> <ul style="list-style-type: none"> • specifying the purposes for which a retailer may access and use NMI standing data; and • 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. 	<p>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>	
1.63	<p>Electricity consumer transfers</p> <p>Initiation of transfers</p> <p>Transfer requests and process</p>	<p>The NER will include provisions:</p> <ul style="list-style-type: none"> • requiring transfer requests to be initiated only by an incoming retailer submitting a request in accordance with the MSATS procedures; • requiring a transfer request to be accepted as valid if: <ul style="list-style-type: none"> ▪ it contains all the prescribed information; ▪ the connection point details in the request are consistent with the NMI standing data; ▪ there is no outstanding transfer request in relation to the same connection point; ▪ the metering installation complies with applicable requirements for contestability; and ▪ the incoming retailer is registered with NEMMCO as a market participant; 	<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	ORIGIN ENERGY RESPONSE
		<ul style="list-style-type: none"> • prohibiting a retailer from submitting a transfer request unless: <ul style="list-style-type: none"> • it has obtained any applicable consents from the customer (account holder) to enter into the retail contract; and • it has all necessary agreements in place to enable the sale of energy to the customer at that connection point; • 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; • permitting a retailer to withdraw a transfer request submitted by it at any time before the transfer has been registered by NEMMCO; • 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); 	<p>This change is to clarify the party with the authority to request a transfer.</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>	<p>Origin supports this provision that will allow transfers to be initiated prior to the completion of the cooling off period ensuring a more efficient nationally consistent transfer process</p>

NO.	SUBJECT	RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
	<p>Objections</p> <p>Transfer period</p> <p>Meter reading</p> <p>Notice to customer</p>	<ul style="list-style-type: none"> • 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; • 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; • specifying the period within which a transfer must be completed (being within 65 business days after a transfer request); • the circumstances in which transfers may be made retrospectively effective and the applicable retrospective periods; • 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; • requiring notice to be provided by the new retailer to the customer within 10 days after the transfer is completed. 	<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>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"> • 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 • procedures for the efficient transfer of consumers between retailers subject to all applicable laws, <p>for the purposes of facilitating the efficient and effective billing of retail</p>	<p>These issues are currently dealt with under other procedures. The treatment of the content of other gas instruments as rules or procedures, and the process and timing for review, is part of the AEMO establishment work.</p>	

NO.	SUBJECT	RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
		and network tariffs and charges, wholesale market 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>	
1.66	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 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.	This is another area to be clarified in the AEMO establishment work.	
1.67	Gas retail market rule changes	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 SCO consider whether the requirement for prior consultation must be with all relevant stakeholders or must be a public consultation).	This recommendation has been implemented in the National Gas Law. The fast-track process requires public consultation.	

NO.	SUBJECT	RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
Metering – electricity				
1.68	Principal regulation of electricity metering	<p>The NEL already contemplates in Schedule 1 that the NER may contain rules in relation to:</p> <ul style="list-style-type: none"> • the metering of electricity to record the production or consumption of electricity; • the registration of metering installations used to meter electricity; and • the regulation of persons providing metering services relating to the metering of electricity. <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 NER.</p> <p>The principal regulation of metering will be contained in the NER / NEM Metrology Procedure regime.</p>	This issue is to be progressed through NEMMCO rule change and metrology procedure change processes.	
1.69	Provisions to be included in the NER	The amendments to the NER 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 NER/NEM Metrology Procedure framework (as set out in Part B of Attachment 9 to Working Paper 4).	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 NER in the treatment and classification of alternative control and negotiated services.	
1.70	Process	These amendments could be implemented through the normal change procedures for the NER and NEM Metrology Procedure or, alternatively, by Ministerial order as part of the legislative package for the national energy customer framework. The appropriate option will be determined based on an assessment of the relative timing of each process, but a mechanism which avoids the need for complex transitional arrangements is preferred.	These amendments are to be implemented through a combination of normal change procedures by NEMMCO and the AEMO establishment work	

NO.	SUBJECT	RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
1.71	<p>Supplementary regulation of electricity metering</p> <p>Contractual/regulatory interface provisions</p> <p>Transfer code provisions</p> <p>Incidental jurisdictional legislative provisions</p>	<p>Provisions relevant to metering are included in retail contracts (see Part 2 of this document), customer distribution contracts, Retail Support Contracts (see Parts 4 and 5 of this document). These provisions are in some cases repeated in existing metering regulatory instruments. The amendments proposed to be made to the NER/NEM Metrology Procedure will be reviewed as part of this exercise to avoid unnecessary overlap.</p> <p>Transfer code provisions relevant to metering will be harmonised within the national framework, as described in the customer registration and transfer recommendations set out above. The amendments proposed to be made to the NER/NEM Metrology Procedure will also be reviewed as part of this exercise to avoid unnecessary overlap.</p> <p>Current jurisdictional legislative provisions incidental to metering (in relation to access to premises and theft/diversion of electricity) should not be included in the NEL. Rather, these matters should continue to be regulated as part of the ongoing jurisdictional legislative regimes.</p>	<p>It is anticipated that the process for the jurisdictions to transition to the national framework will include the repeal of duplicate provisions in jurisdictional instruments and procedures.</p> <p>As above.</p> <p>Although some submissions consider that there would be benefit in incorporating a national approach to these issues, the responsibility for these issues is to remain with the jurisdictions.</p>	
1.72	Regulation of metering in non NEM jurisdictions	The non-NEM jurisdictions should continue to regulate metering under their current instruments.		
Metering - Gas				
1.73	Principal regulation of gas metering	<p>The NGL should authorise the inclusion of Rules in relation to metering in the NGR in similar terms to Schedule 1 of the NEL, for example, that the NGR may contain rules in relation to:</p> <ul style="list-style-type: none"> • the metering of gas to record the production or consumption of gas; • the registration of metering installations used to meter gas; and • the regulation of persons providing metering services relating to the metering of gas. 		
1.74	Grandfathering	The NGL should authorise the NGR to provide for those matters by requiring compliance with another instrument (to be defined as an	The treatment of the content of existing instruments as rules or procedures, and the process for review, is to be addressed	

NO.	SUBJECT	RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
	<p>Gas retail market rules</p> <p>Other jurisdictional metering instruments</p>	<p>instrument identified in the Rules, 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 Law.</p> <p>The metering provisions contained in the gas retail market rules would be grandfathered as part of those rules, as discussed in the customer registration and transfer recommendations above.</p> <p>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.</p>	<p>through the AEMO establishment work.</p> <p>As above.</p> <p>As above</p>	
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.	
1.76	<p>Supplementary regulation of gas metering</p> <p>Contractual/regulatory interface provisions</p> <p>Incidental jurisdictional</p>	<p>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.</p> <p>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.</p> <p>Current jurisdictional legislative provisions incidental to metering (in</p>	The treatment of existing instruments as rules or procedures, and the process for review, is to be addressed through the AEMO establishment work.	

NO.	SUBJECT	RECOMMENDATION	COMMENT	ORIGIN ENERGY RESPONSE
	legislative provisions	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.		