



28 July 2008

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

Dear Sir / Madam,

National Framework for Regulating Energy Distribution and Retail Services to Customers

SP AusNet is pleased to have the opportunity to comment on the MCE Standing Committee of Officials (SCO) June 2008 policy paper outlining proposals for a new National Energy Customer Framework.

Following a long period of consideration of the complex issues involved SP AusNet welcomes the development of a policy paper by the SCO, and a timetable to draft and consult on the legislative package to establish the proposed arrangements.

SP AusNet supports many aspects of the broad direction for the framework outlined by the paper, however there are some areas of concern to us and we believe many detailed considerations must be addressed to validate the proposals. In our view this warrants a response and further interaction on the issues raised by stakeholders prior to the commencement of drafting of the legislative package. The SCO paper does not outline a process for consideration of comments and it would be helpful if this could be clarified.

We have prepared detailed comments using the SCO's Table of Recommendations as a template. These comments are attached.

SP AusNet also wishes to advise its support for the comments submitted into the consultation by the Energy Networks Association.



We look forward to further opportunities to engage with the SCO in the development of the National Energy Customer Framework.

Yours sincerely,



Kelvin Gebert

MANAGER REGULATORY STRATEGY AND COMPLIANCE

Enquiries: Peter Ellis (03) 9695 6629

Attachment: SP AusNet Detailed Comments

SP AusNet Detailed Comments on the Recommendations of the MCE SCO for the National Energy Customer Framework

SP AusNet's comments use the MCE SCO table of recommendations as the template for providing comment in response. This document therefore replicates the SCO's table, and provides our views on particular recommendations in a column we have added to the table. Broader comments on aspects of the proposals and the process for progressing the work are also provided. All of SP AusNet's input external to the table can be identified as blue, italicised font.

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)

SP AusNet general comments on the framework establishment approach and timeframes

Whilst consultation on high level policy for the framework continues SP AusNet considers that there is a need, in parallel, to look deeper into the operating arrangements that will result, to validate this policy and ensure effective and efficient operational systems and processes. We hope that our input will assist the SCO in its consideration of the importance of taking this approach.

The drafting of the national documents will replace the Jurisdictional Codes, Rules, Guidelines etc which have developed and grown through extensive industry, regulator, market system operator (MSO) interaction over a number of years. SP AusNet considers that it is an enormous challenge to the MCE and the industry to do this in manner which enables the most advantage to be made of the new national arrangement, whilst incorporating the best of the existing jurisdictional arrangements and achieve this without major industry disruption and uncertainty.

SP AusNet considers that the following aspects of the process to develop the new framework are important:

1. Program of Work

There is now an outline time schedule in place from the RPWG, however SP AusNet considers that this needs to be expanded with more detail.

In SP AusNet's view, as the framework documents are produced there will be a need for significant industry and MSO input and resource, and in the case of impacted national Procedures will required mandatory consultation processes. This will be occurring in a period of other substantial system and process change in the industry; in particular AEMO and Smart meters. We have discussed the impact and uncertainties of some of these initiatives in the further points below.

The industry hence requires a visible program/time schedule so that the expected call on resource and time can be understood.

The recent RPWG Policy Paper and discussions at the RPWG forums has emphasized that the aim of the program is to have the framework in place, but has stated that the move by a Jurisdiction to this Framework will be subject to transitional arrangements and different timeframes. SP AusNet considers that there needs to be more certainty with respect to the program of change and that transitional arrangements for Jurisdictions need to be part of a broad national industry detailed time schedule. We assess that to not have such a program will leave arrangements to "drift" with resulting uncertainty for industry. Distributors need to understand how this program fits in with Price Reviews, and Retailers presumably are interested in when a uniform national approach will be in place to enable them to take full advantage of this removal of Jurisdictional system and process differences.

SP AusNet considers that this detailed framework establishment program should include details of the following aspects and interdependencies:

- a. **Jurisdictional Codes and Guidelines:** when is it envisaged that these will be redrafted to remove matters covered in the national Framework? When will the effective date of these changes be? Is the drafting of these changes to be done by the RPWG or by each Jurisdiction?
- b. **Licenses:** when is it envisaged that these will be redrafted to remove matters covered in the national Framework? When will the effective date of these changes be? Is the drafting of these changes to be done by the RPWG or by each Jurisdiction? The Policy Paper suggests the RPWG will be doing this; is this correct?
- c. **AER Guidelines:** the Recommendations propose a number of AER documents to support the Framework. When is it envisaged that these will be drafted as they are dependencies on the workability of the framework?
- d. **Dependencies on other national initiatives:** a number of matters on which AAR provided the RPWG with guidance have now become part of other national initiatives. These include
- the NPWG: which we understand from the Policy Paper are to draft detailed Rules clauses with respect to connection matters, ring-fencing, and embedded generation
 - AEMO: which we understand from the Policy Paper are to draft detailed Rules clauses with respect to the gas retail rules framework, transfer process Rules basis, and gas metering rules

The establishment program must detail when their output will be available relative to the RPWG program for the Rules development.

- e. **Dependencies on Smart meter outcomes:** there are a number of likely inclusions in the Smart meter functionalities and service levels which will require obligations to be defined in the framework. These could include variations to existing obligations eg faster time based customer re-energisation, or new obligations eg interactions with Home Area Networks with respect to functionality like message displays, load switching, etc.

In our comments on the Recommendations SP AusNet has pointed out some of the implications of Smart meters, however these are not comprehensive comments, and there will be much interaction between the NECF finalisation and the establishment of the obligations associated with Smart meters.

- f. **Interdependency with Rules and Procedure changes:** aside from the need to incorporate changes from other initiatives into the NECF changes there is a broad requirement to co-ordinate changes to Rules and associated documents. There are a number of initiatives in the market services space which are not specifically associated with NECF establishment which, over the period of the NECF development, will require access to the Rules and associated documents to implement their outcomes. These include matters not directly associated with Embedded Networks, Un-metered Supplies, service provider frameworks, etc. Their “access” to the Rules and/or Procedures needs to be co-ordinated to ensure that a change for NECF or for another initiative does not “lock” a relevant document out of change consultation for a inconvenient period.

Even if early versions of the Framework establishment program have considerable uncertainty, SP AusNet considers that it is preferable to have a version available which enables industry understanding of the timeframe details and goals.

2 Comments assessment and feedback approach

SP AusNet suggests that SCO feedback on this round of consultation and further dialogue with stakeholders to fully appreciate the issues is necessary before drafting of the legislative package commences. The conferences held by the SCO in finalising the national gas legislation and rules provided an effective approach by workshopping residual issues with the various stakeholders. NEMMCO has undertaken a similar approach in a number of market services (and settlements) Rules changes.

The NEMMCO process is to release an aggregated table of comments as a summary of all input and generally run a workshop against these comments to provide collective stakeholder views. At these workshops proponents have a chance to further explain their reasoning behind specific submission points.

In support of their draft determination made following these workshops, NEMMCO then re-release this table with their comments and decisions against each of the items in the table.

This has the following advantages:

- *Ensures that NEMMCO have understood the comments provided*
- *Draws on additional industry views stimulated by other Participants' views*
- *Provides good industry understanding of NEMMCO draft determinations hence contributing to more streamlined second round consultation*

Although this can be a reasonably resource intensive process (although the collation of input into a table is probably a reasonable internal approach), in the market services environment this has ultimately proven to give better, more effective and workable results with increased stakeholder buy-in.

3 Drafting Process

SP AusNet further suggests that SCO need to consider a rigorous process for the detailed comparison of the various jurisdictional documents and the selection of wording for the national framework which best describes the desired outcomes.

We suggest that consideration of NEMMCO's experience may again be useful to the SCO. NEMMCO's process for the movement of, first the Jurisdictional Metrology Procedures, and then the Jurisdictional Metering Codes, into the National Metrology Procedure is a good model of the process required if all matters are to be covered efficiently and rigorously. We suggest that this needs to be carried out in conjunction with industry and hence propose that a further step is required in the process between this current table and the first exposure draft

4 Format of SP AusNet Comments

We have put all our comments into the table, however some are of a greater importance and potential impact than others. In an attempt to provide some indication of the assessed significance and consequence of the issue we have graded them as HIGH, MED = Medium, or LOW.

Part 1 – Principal recommendations

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

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Retailer obligation to supply small customers				
1.1 Cont'd	Application procedures Retailer information requirements	<p>respect of that customer. As matters of detail, the Rules will set out:</p> <p>Application procedures – including requirements for customers to provide:</p> <ul style="list-style-type: none"> • acceptable identification (along the lines of the ESCV guideline); and • 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; 		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Retailer obligation to supply small customers				
1.1 Cont'd	Connection services Conditions to the obligation	<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; • 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>The SCO seeks comment from stakeholders in relation to the failure to provide security as a condition subsequent. Where a customer is disconnected as a result of a failure to provide security, it may be sensible for subsequent connections to require security as a condition precedent.</p> <p>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>MED A key issue for Distributors in attempting to carry out their meter read and energisation obligations, is the relatively large number of premises to which the Distributor cannot get access. Although this issue will be significantly reduced by the ultimate rollout of smart meters with remote reading and switching, the problems and impacts of 'no access' will continue for some time (5 years in Victoria and probably longer elsewhere).</p> <p>The lack of access is felt by the networks in increased costs of operation and in reduced service measures. The impact on retailers is felt by reduced actual read data for billing, and hence increased customer dissatisfaction and higher operational costs. However, although the highest incentive is notionally on the Retailer, there is a dis-incentive for them to act against a customer as the customer may be "driven" to another retailer.</p> <p>SP AusNet considers that consideration should be given to placing obligations on Retailers to react in a defined</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Retailer obligation to supply small customers				
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>manner to lack of Distributor access to their customers premises.</p> <p>MED SP AusNet have no specific view on the recommendation of the FRR being the Retailer with the obligation to supply for existing connections.</p> <p>However, if the FRR is to have this role, then the issue arises of how a move-in customer locates the FRR. The Policy Paper suggests that:</p> <ul style="list-style-type: none"> • all Retailers would have an obligation to refer a customer who cannot get a retail supply contract to the relevant Distributor, and • Distributors would have an obligation (and a right) to inform the customer of the name of the FRR. <p>SP AusNet suggests that an alternative model is for the customer to be directed to the MSO who would inform the customer. We understand this is the model in NSW gas. This ensures:</p> <ul style="list-style-type: none"> • a “neutral” party response irrespective of the level of Distributor- Retailer ring-fencing, and • it can be implemented immediately. Whereas the alternative Distributor based scheme may have to be deferred until the appropriate point in the Price Review cycle in each

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Retailer obligation to supply small customers				
1.3	MCE principles for obligation to supply	No longer required	<p>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.</p> <p>There is no need for such principles to be agreed in light of other decisions as to the designated retailer regime.</p>	jurisdiction.
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</p>	<p>SCO considers that there is no policy rationale for distinguishing between residential customers on the basis of consumption. However including all residential customers as “small” customers is consistent with the essential service nature of energy supplies. Further, small business customers should also receive the benefit of the obligation in order to facilitate competition and reduce the costs of these customers to participate confidently in the market.</p>	<p>LOW The “small customer” terminology is used for a number of purposes other than setting thresholds for retailer relationships and tariffs. A number of these impacts are on the services and obligations provided by Distributors, and on processes in national Procedures.</p> <p>SP AusNet therefore recommends that the term used in this tariff differential be changed to something other than “small” to avoid the possibility of confusion. Maybe “customer below the threshold”</p> <p>MED Whilst struck to determine the level of customer where there is a retailer obligation to offer supply, this threshold is also proposed to set the threshold for those customers to which Distributors can establish a class based AER Approved Customer Distribution Contract (CDC). Refer</p>

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Retailer obligation to supply small customers				
		mechanics of assessing customer consumption for the purpose of applying the threshold, including whether the threshold applies to individual premises or is aggregated.		<p>Recommendation 1.29.</p> <p>SP AusNet considers that the recommended level of 1TJ for gas is too high for use as this AER Approved CDC threshold. There would be possibly less than 1000 customer on our network with consumption above 1TJ. SP AusNet has not specifically considered in detail what classes of gas customers we may want to establish AER Approved CDCs for. However given the small number of customers above 1TJ, it is SP AusNet's view that almost any workable and effective "special" contract for a class of customers is likely to contain customers below 1TJ.</p> <p>SP AusNet believes that this ability to establish class based CDCs is a welcome addition to the CDC regime but setting the threshold too high will limit the advantages.</p> <p>As this is an AER approved contract SP AusNet considers that there are no customer protection issues which would require setting the threshold as high as proposed. SP AusNet recommend that a threshold of possibly 250-300 GJ/a would be more applicable.</p>
1.5	MCE directed review of small customer definition	The MCE will undertake a review of non-residential small customer thresholds with a view to reducing the thresholds. This review would occur	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	

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Retailer obligation to supply small customers				
		periodically at intervals of no more than five years.	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.	
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>	The standing offer tariff may be regulated in jurisdictions where retail price regulation continues.	
1.7	Specification of terms and conditions	The Law will provide that the standing offer, incorporating the standard retail contract and standing offer tariff is to be published by designated retailers on their website. The terms and conditions of a standard retail contract published by retailers is not subject to prior regulatory approval, but would be lodged with the AER and subject to compliance monitoring and enforcement by the AER.		
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		

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Retailer obligation to supply small customers				
1.9	Deemed supply arrangements	<p>development of the initial Rules.</p> <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 • 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 		

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Retailer obligation to supply small customers				
		<p>already connected to the distribution system and commences to take a supply of energy; and</p> <ul style="list-style-type: none"> 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. 		
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</p>		

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Retailer obligation to supply small customers				
		<p>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 be entitled to arrange for disconnection of the premises.</p> <p>If the customer has already provided the required deemed supply notice under recommendation 1.13 (name, contact details and acceptable identification), and if not advised to the contrary, the retailer may take the customer to be requesting supply under the standing offer, and may transition the customer to the standard retail contract.</p>		
1.13	Notice requirements for deemed supply arrangements	<p>The Rules will require:</p> <ul style="list-style-type: none"> • 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. 	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.	

No.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
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.	
1.16	Definition of small customers for purpose	The Law will provide that a small customer for the purpose of market		

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Retailer – small customer market retail contracts				
	of market retail contracts	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.		
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 	Retail contracts where prepayment meters are involved are to form a specific type of market retail contract.	<p>LOW There are a number of references in the framework documents re “life support” customers. This is currently NOT a well defined term in the market and Rules obligations applied to these customers would</p>

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Retailer – small customer market retail contracts				
		<p>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);</p> <ul style="list-style-type: none"> • 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. • 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 		<p>benefit from a clear, unambiguous national definition.</p>

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Retailer – small customer market retail contracts				
		<p>reconnect, emergency credit, provision of energy concessions, access to meter data; and</p> <ul style="list-style-type: none"> • 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	SP AusNet Submission
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.	
1.18	Marketing requirements	<p>The Law will require retailers engaged in energy marketing (whether directly or indirectly) to comply with energy marketing requirements set out in the Rules.</p> <p>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.</p>		
1.19	Retailers responsible for marketing activities	<p>The Law will ensure that retailers are ultimately responsible for marketing conduct, whether the marketing is carried out by:</p> <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, 		

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Retailer – small customer marketing				
		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.		

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Hardship				
1.20 A	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).	
1.20 B	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.	
1.20 C	Alternative payment arrangements for hardship customers	The Rules will require retailers to offer hardship customers, alternative payment arrangements prior to	New recommendation included due to feedback from submissions to Composite paper and consultation with	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Hardship				
		<p>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 over the following twelve month period. • 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. 	stakeholders.	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Hardship				
		The Rules will contain a general obligation for retailers to provide fair and reasonable procedures for dealing with payment difficulties that a hardship customer may experience under the plan.		
1.20 D	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 to make payments in accordance with an agreed instalment payment plan or other payment option relating to the payment of bills. 	New recommendation included due to feedback from submissions to Composite paper and consultation with stakeholders.	
1.20 E	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 	New recommendation included due to feedback from submissions to Composite paper and consultation with stakeholders.	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Hardship				
		developing national hardship indicators.		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
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 	<p>The national customer framework will not prevent negotiated distribution contracts but will also not prescribe the terms and conditions of any negotiated distribution contract.</p>	<p>HIGH SP AusNet considers that this contractual model, common across the two sectors, is appropriate.</p> <p>SP AusNet's high level view is that the contractual model needs to have the following features:</p> <ul style="list-style-type: none"> • a model terms framework in place for the two relationships involving the Distributor which provides a default deemed contract. These model terms then provide a starting point for any variations to be agreed with the AER or with individual Retailers or customers, and a recognised fall back when these negotiations fail. • the specifics of both the Retailer and customers contracts which are to be the default deemed contracts in a network are negotiated and established in conjunction with each relevant price review as there can, and should, be a relationship between the cost/price model and specifics of the services approach offered

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Contractual model for customer distribution services				
		<ul style="list-style-type: none"> 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. 		<ul style="list-style-type: none"> reasonable flexibility should be available for the default deemed contracts to be negotiated as part of the price review reasonable flexibility should be available for the negotiation of changes from the default as driven by any special aspects of the relations between the Distributor and any specific Retailer or customer although the Distributor should consider any request from a Customer or Retailer for other than the Distributor's default contract(s), there is no obligation on the Distributor to offer other than the default and conversely no provision to "force" other than the default (or one of the defaults) on a customer or a Retailer <p>Our comments on subsequent Recommendations reflect this broad view of the relationships.</p>
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 for distributed generation in the economic regulation work streams of the MCE being managed by the Network Policy Working Group (NPWG).	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Contractual model for customer distribution services				
			<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	SP AUSNET SUBMISSION
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>	
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 	<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	SP AUSNET SUBMISSION
Distributor obligation to provide customer distribution services				
		<p>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> <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. 		
	<p>Rules may further define customer distribution services</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 		

No.	Subject	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor obligation to provide customer distribution services				
		<p>premises is established.</p> <p>It is ongoing customer distribution services which will be the subject of the contractual model for the new national customer framework.</p>		
<p>HIGH Connection and Energisation – Rules support for benchmark process</p> <p><i>The industry through the IEC's B2B Procedures has established reasonably effective and efficient processes for the connection of customers including the necessary supporting transactions and communications rules.</i></p> <p><i>These enable an appropriate level of automation which provides an efficient approach to handling the bulk of connection applications.</i></p> <p><i>These processes are built around the application for connection being made by the customer's Retailer rather than directly from the customer to the Distributor.</i></p> <p><i>SP AusNet considers that the Rules should establish that a Small Customer requiring a new connection must go through their retailer and give the Distributor the right to direct a Small Customer requiring a new connection to a retailer. Otherwise, a Retailer could potentially seek to reduce its workload by referring customers to the Distributor directly and only becoming involved in the actual energisation request.</i></p> <p><i>Hence SP AusNet considers that, whilst protecting the fundamental right of a customer to come directly to the Distributor for connection, the framework must provide firm support for the established B2B process and practise.</i></p> <p><i>In Appendix 1 to this submission SP AusNet has inserted a modified version of the customer relationship flowchart which recognised this well establish path for the majority of customer retail connections and energisations.</i></p>				
1.26	Application procedures and conditions	<p>As matters of detail, the Rules will set out:</p> <p>Connection application procedures, including:</p> <ul style="list-style-type: none"> • permitting an application for connection to be made by either the customer or its retailer; • requiring a customer to provide acceptable identification; name and contact details and prescribed information relevant to the 		<p>HIGH Refer SP AusNet comments in Connection and Energisation – benchmark process immediately above.</p>

No.	Subject	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor obligation to provide customer distribution services				
	Timeframes	<p>connection of equipment at the customer's premises (eg. life support, special plant and equipment.</p> <ul style="list-style-type: none"> for applications by the customer, the customer will be required to provide evidence of a retail contract with a retailer prior to energisation of the connection. <p>The NPWG is currently undertaking work on standard connection types and associated timeframes for electricity and gas. Where appropriate, any changes will be included in the package for the national customer framework.</p>		<p>MED As discussed in Connection and Energisation – benchmark process above the standard approach for energisation will be by the customer's Retailer not by the customer and hence the concept of the customer "providing evidence" is not consistent with the benchmark practise.</p> <p>In Appendix 1 to this submission SP AusNet has inserted a modified version of the customer relationship flowchart which recognises this Retailer role in the customer energisation.</p> <p>MED If this level of detail is to be provided in the Rules, then the Rules will need to make it clear what the basis of the timeframe is to be. There are preconditions that must be met prior to the Distributor effecting connection. These matters should be reflected in the timeframe definitions.</p> <p>A statement of time to connect without the details of preconditions leaves the</p>

No.	Subject	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor obligation to provide customer distribution services				
	Distributor information requirements	<p>Distributor information requirements, requiring the distributor to provide to a customer:</p> <ul style="list-style-type: none"> • the deemed standard terms and conditions ("deemed customer distribution contract") applicable to that customer; • details of applicable GSL payments and service standards; • details of applicable connection, energisation and re-energisation timeframes; and • 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 	<p>While the specific details of service level and timeframes may vary from jurisdiction to jurisdiction (and hence cannot be specified within the standard model terms and conditions), customers should still be provided with the relevant information for their circumstances. The Rules will therefore require distributors to provide information about the applicable regulatory requirements.</p>	<p>Distributor exposed.</p> <p>MED The Distributor information requirements will presumably apply to all customers not just those on Deemed CDCs ie to those on AER Approved CDCs and Negotiated CDCs.</p> <p>MED SP AusNet considers that the list of circumstances provided in the Recommendation is comprehensive i.e.</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

No.	Subject	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor obligation to provide customer distribution services				
				<p>terms.</p> <p>The wording (“including ...”) should hence be removed from the recommendation.</p> <p>SP AusNet does not believe that, given the rate and turnover of customers, that the CDCs should be distributed on a periodic basis.</p> <p>MED Whilst manual means (by fuse insertion) is the dominant method of re-energisation, leaving a copy of the CDC is relatively easily and low cost. However, once Smart meters are established and remote re-energisation is the de-fault process, this obligation will become more arduous and expensive, offsetting some of cost savings of Smart meters. Given the universal nature of the Deemed CDC we consider that the need for the provision of a CDC at this time could be removed without customer impact.</p>

No.	Subject	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
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 (NPWG) in relation to the electricity sector.</p> <p>The various connection scenarios may be specified in economic regulatory instruments pertaining to that distributor (eg. distribution determinations and access arrangements) or may be specified in applicable Rules.</p> <p>Regulated distribution services which are provided for in the instruments governing economic regulation include "customer distribution services" to be provided to retail customers under the new national customer framework.</p>	<p>HIGH Although it is understood that connection arrangement details are being addressed by the NPWG, SP AusNet considers that an important part of the definition of the Distributor's obligation to connect is the concept of a "standard customer connection" SP AusNet supports the concept that "connections requiring any augmentation or extension to the network or other capital contribution from the customer are outside the scope of the obligation (to connect)" as stated in the AAR Recommendations Paper in Section 6.2, page 38.</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 	<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>	

No.	Subject	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor obligation to offer customer distribution services: customer connection				
1.26B Cont'd	Right to offer of customer distribution services once physical connection established	<p>the distribution system;</p> <ul style="list-style-type: none"> • 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 other equipment of the distributor on the customer's premises. <p>For the avoidance of doubt, once a physical connection is established with a customer's premises, that customer will have the benefit of the distributor's obligation to provide customer distribution services to those premises, irrespective of the type of connection or contractual arrangements entered into concerning the initial establishment of that connection.</p>		<p>MED Most "customer distribution services" are not provided to a newly connected, but not energised, connection point/premises. Until the site is energised the Distributor will not provide most services (certainly will not provide energy transport, and notionally fault response, voltage levels etc are not relevant), and until a Distributor meter is installed, will not provide meter reading and data services.</p> <p>In fact, on this basis the Distributor will not, and must not under the Victorian UoSA, charge a standing charge for the premises.</p> <p>The SCO statement here is misleading.</p> <p>Refer also SP AusNet comments under 1.27 re continuation of services following a disconnection/de-energisation of a connected customer.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with customers				
HIGH	Deemed CDCs and overlap with the Rules obligations			<p>The Policy Paper in Section 4 p57 states that the “content of [the Deemed CDC] re those obligations will be relatively minimal, but supplemented by direct obligations in the Rules”.</p> <p>SP AusNet questions this approach. It is our view that the CDC, which will have its content largely set by the model terms in the Rules (in a schedule), will contain the fundamental obligations and there will be no need to reproduce these elsewhere in the Rules.</p> <p>If this is not the approach the implications are:</p> <ul style="list-style-type: none"> • there is significant risk that the expression of the obligation in the Rules body and in the CDC model terms schedule will be different leading to divergent interpretations, and therefore relationship and operational issues. • if the obligations are fully expressed in the CDC model terms schedule, then this “document” can be used as the basis of providing to a customer a copy of their deemed contract. Without this single, self contained view of the Distributor’s and the customer’s obligations, there will be no single reference to which a customer could go for this detail. This is likely to drive a requirement for another document with this overall detail to be established for customer reference. The need for such a document with additional industry costs and further risk of duplication and misinterpretation should be avoided if possible.
HIGH	Requirement for Deemed CDCs to be subject to AER approved variations			<p>The Policy Paper Sect 5 p63 states that “substantial variations to the [Deemed] CDC would not be permitted...”</p> <p>1 As stated in the SP AusNet outline of our understanding of, and requirements for, the fundamental features of the agreed contractual model, we consider that there must be capability for a Distributor to vary their Deemed CDC to align with the service offering which is the basis of their current Price Review. This capability is intended to exist with respect to the Default RSC, and we consider that it is essential there should be a “matching” capability associated with the Deemed CDC.</p> <p>How would a Distributor establish innovative or enhanced services for small customers which are different to other Distributors’ offerings except through this mechanism?</p> <p>SP AusNet considers that this option of a Distributor seeking to vary their Deemed CDC from the model terms, and the associated defining of the criteria the AER would use to judge a Distributor’s proposed variations, must be part of the CDC regime.</p> <p>2 Putting aside the SP AusNet argument in 1 above: The Policy Paper, whilst appearing in the above quoted wording to limit the variations to the Deemed CDC, does infer that there will be some non-substantial variations allowed. However neither the Paper nor the Table provides any equivalent to the process defined for the RSCs, which recognises the Distributor seeking from the AER variations to its RSC from the model terms and defines the criteria the AER would use to judge a Distributor’s proposed variations.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with customers				
1.27	Establishment of deemed customer distribution contract	<p>The Law will provide that upon:</p> <ul style="list-style-type: none"> • connection of a retail customer's premises to a distribution system, or ¹ • on the date a customer moves in to premises that are already connected, <p>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>HIGH SP AusNet would consider that the Deemed or AER Approved CDC will not arise until the connection point is initially energised. Hence:</p> <ul style="list-style-type: none"> • the first dot point is incorrect as when connected the premises may not be energised ²and • the second point is incorrect as the premise may be energised before the customer moves in. <p>As outlined in 1.26B above most "customer distribution services" are not provided to a newly connected connection point/premises which is not yet energised. Until the site is energised the Distributor will not provide most services and do not charge a standing charge for the premises.</p>
1.27 Con'd	Duration	<p>The deemed distribution contract (as amended from time to time where a Rule change occurs) will remain in effect:</p> <ul style="list-style-type: none"> • while the customer is responsible 	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	<p>MED It is reasonably clear that when the customer moves out that the CDC with that customer is no longer in effect. However, if the customer does not inform their Retailer, then under this</p>

¹ Note SP AusNet revised punctuation for clarity.

² We note that the wording of this dot point is different to the equivalent wording in Recommendation 4.1.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with customers				
1.27 Con'd	Negotiated customer distribution contracts	<p>to its retailer for the consumption of energy at the relevant premises or</p> <ul style="list-style-type: none"> until the customer enters into a negotiated distribution contract with the distributor. <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 	<p>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>Recommendation's specific wording does the CDC still have effect as the customer is notionally still responsible to its Retailer for consumption?</p> <p>Further it is not clear whether the CDC is in effect if the customer (or their Retailer) request disconnection (de-energisation). In this circumstance the customer (and Retailer's) expectation is that any standing charges for the site cease. Does this mean the CDC no longer remains in effect? This needs to be clear.</p> <p>Note, whilst a number of customer distribution services obviously cease, the Distributor will continue to provide a range of services. Some site specific services like meter maintenance and more broad services like voltage level support etc will continue. Also meter reading will generally continue. Which obligations apply in these circumstances needs to be clear in the framework.</p> <p>MED As we stated under Recommendation 1.22 it must be clear that although the Distributor should consider any request from a Customer or Retailer for other than the Distributor's default contract(s) there is no obligation on the Distributor to offer other than the default and conversely no provision to "force" other than the default (or one of</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with customers				
		<p>standard terms and conditions and an explanation of the implications of the proposed different terms;</p> <ul style="list-style-type: none"> • 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>the defaults) on a customer or a Retailer</p> <p>However as discussed under Recommendation 1.29 re AER Approved CDCs, SP AusNet's view is that these CDCs are to be considered as "default" CDCs for the "class" of customers covered by the CDCs.</p>
1.27 Con'd	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 distribution services in accordance with Chapter 5 and 6 of the NER or under an access arrangement in accordance with the NGR.		<p>HIGH As we have discussed above in the broad note above #26 in SP AusNet Connection and Energisation – benchmark process, whilst SP AusNet supports this broad right for large customers, small customers should not be given this ability as it is counter to maintaining effective and efficient automated process for the mass of customers. The customer should be required to request their connection through their Retailer.</p>
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	Rules provisions	The Rules will include the following		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with customers				
1.29 Con'd	<p>Model terms for deemed customer distribution contracts</p> <p>Small customer definition</p>	<p>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. 	<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>MED It would seem to be difficult to write wording for the Rules schedule Model Terms to be directly usable as the basis of another Contract between the Distributor and the Customer. It is likely to make the drafting of both complicated. If significant redrafting is required by a Distributor to achieve a workable contract, then different wording between Distributors, and ultimately different interpretations, is a real risk and defeats the intent.</p> <p>MED We made the following comment under Recommendation 1.4</p> <p>SP AusNet does not consider that the definition of small customer struck to determine the level of customer where there is a retailer obligation to offer supply, is necessary applicable to the threshold at which Distributors can establish a class based AER Approved Customer Distribution Contract (CDC).</p> <p>In particular SP AusNet considers that the recommended level of 1TJ for gas is too high for use as this AER Approved CDC threshold. SP AusNet's view is that if a 'special' contract is to be set for a class of customers then that class is likely to contain customers below 1TJ.</p> <p>SP AusNet believes that this ability to establish class based CDCs is a</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with customers				
	Deemed customer distribution contracts for large customers	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').	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>CDCs, should be subject to the Rule change process. However, as discussed in our broad comments in Requirement for Deemed CDCs to be subject to AER approved variations above Recommendation 1.27, we strongly believe that individual Distributors must be able to propose to the AER variation to their Deemed CDC.</p> <p>HIGH Refer comments above re concerns with the small customer threshold for gas being too high for determining whether a class based AER Approved CDC can be established.</p> <p>HIGH It must be made clear that an AER Approved CDC for a class of customer would be the deemed and default CDC for a customer in that class. Eg SP AusNet may make submission to the AER for approval of a CDC for Embedded Network owner/operators. Once approved SP AusNet's expectation would be that a customer who meets the defining parameters of an Embedded Network owner/operator would have to accept this CDC or attempt to negotiate a Negotiated CDC. The standard Deemed CDC will not be available to them.</p>
1.30	Direct regulatory obligations on distributors - Law	The Law will authorise (and oblige) distributors to disconnect, reconnect and interrupt supply in the circumstances set out in the Rules.		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with customers				
		<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>Grounds for disconnection</p>	<p>The Rules will include the following direct obligations in relation to the distributor – customer relationship:</p> <ul style="list-style-type: none"> • A requirement that distributors must comply with any applicable service standards. • 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 		<p>LOW It is considered worthwhile to split the fourth dot point into two and expand the detail to ensure all circumstances are recognised:</p> <ul style="list-style-type: none"> • at the request of the customer directly or through its retailer; • at the request of the retailer because the customer has moved out, or for reason of bad debt <p>MED As commented with respect to Recommendation 1.1 above, SP AusNet considers that the fundamental obligation to monitor and take action re customer 'no access' situations should rest with the Retailer.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with customers				
1.31 Cont'd	Restrictions on disconnection	<p>equipment specifications, or taking unauthorised supply).</p> <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.	<p>If the Distributor is to be given the primary role then the framework (the Rules) should provide mandatory obligations on the Distributor rather than leave it to the Distributor's discretion. However any "program" involving customer contact and follow-up is best left to the Retailer to manage as the prime customer interface is with the Retailer.</p> <p>Note that a Smart rollout program, if it is to provide consistent metering arrangements across all customers, will raise issues of access for meter exchanges by the Distributor.</p> <p>MED We have made a number of comments re disconnection restrictions under Recommendation 4.8 These are relevant here and we re-emphasises these in association with this Recommendation.</p> <p>LOW The item re health and safety reasons needs to be expanded to provide more specific coverage for the situation where the Distributor personnel on site has fears for their own safety and/or that of the customer where violence is threatened.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with customers				
1.31 Cont'd	<p>Interruptions and curtailments</p> <p>Reconnection</p> <p>Dispute resolution</p>	<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 customer premises, including: <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. • 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 		
1.31 Cont'd	<p>Information provision</p> <p>Fault reporting and</p>	<ul style="list-style-type: none"> • 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 		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with customers				
	<p>correction</p> <p>Small customer negotiated customer distribution contracts</p> <p>Distributor compliance with deemed customer distribution contracts</p>	<p>maintenance by distributors of a 24-hour fault information and reporting line.</p> <ul style="list-style-type: none"> • Protections for small customers in relation to negotiated customer distribution contracts, including protected terms and cooling-off periods. <p>There is to be an express requirement in Law and Rules that a distributor must comply with the terms of the applicable deemed customer distribution contract in respect of customers connected to the distribution system.</p>	<p>SCO notes that the substantive obligations on distributors and protections relating to small customer contracts are to be contained in Rules and as such, cannot be negotiated away from. Customers are entitled to the provision of information as outlined in 1.27 regarding the implications of entering into a negotiated customer distribution contract. As such, SCO sees no need to provide further specific obligations on distributors in relation to negotiated customer distribution contracts.</p> <p>SCO considers it important that compliance with the terms of customer distribution contracts and AER-approved distribution contracts and RSCs are regulatory obligations. Compliance with the terms of these agreements by distributors is important to deliver the new national customer framework. Therefore, breaches of the terms of a distribution contract should be subject to regulatory oversight and where appropriate, enforcement action.</p>	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
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>	
1.33	Establishment of default Retail Support Contracts	<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>HIGH SP AusNet considers that the framework needs to make it clear that although a default Deemed RSC exists, a Retailer does not then have the fundamental right to commence retail activities on the relevant network.</p> <p>There are a number of other aspects of Retailer "entry" to a Network which the framework must provide an obligation on</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with retailers				
	<p>Negotiated Retail Support Contracts</p> <p>Customer variations</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 customer connection and distribution services) with the distributor that require different arrangements.</p>	<p>Distributors and retailers will need to reach agreement where necessary to do so for such specific circumstances.</p>	<p>Retailers to fulfil before commencing operation; including credit arrangements, business process testing, exchanging of contact details, exchange of any detailed operational arrangements outside standard industry Procedures, etc.</p> <p>These probably do not need to be specifically detailed in the Rules. Rather these could be left to a broad statement with respect to the reasonability of the "conditions" set by the Distributor.</p>
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.		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with retailers				
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> <p>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>	<p>For the avoidance of doubt, SCO considers that a schedule capable of adoption means a schedule that is, for all intents and purposes, a framed as a contract, minus the specific details of the distributor and retailer concerned, and any other matters of detail specific to their particular circumstance.</p> <p>Part 5 of this Table sets out a summary of the subject matters to be covered by the model terms and conditions of a default RSC for development of the initial Rules.</p>	<p>MED As stated under the similar Recommendation 1.29 re Deemed CDCs, it would seem to be difficult to write wording for the Rules schedule Model Terms to be directly usable as the basis of another Contract between the Distributor and the Retailer. It is likely to make the drafting of both complicated. If significant redrafting is required by a Distributor to achieve a workable contract, then different wording between Distributors, and ultimately different interpretations, is a real risk and defeats the intent.</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>	<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>HIGH The Policy Paper including Figure 5.1, and this recommendation, make it clear that the Distributor will be able to seek AER approval for variations to the Deemed RSC (as defined in the Model Terms in the Rules schedule).</p> <p>It is SP AusNet's view that this would likely to be done in association with a price review as each Distributor is repackaging their service offering. This</p>

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NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with retailers				
		<ul style="list-style-type: none"> • Customer service and network performance standards applicable to the distributor; • Any specific characteristics of the distributor's network; • 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>		<p>AER Approved RSC would then become the default Deemed RSC for Retailers on that Distributor's network. We consider that this ability to vary the Deemed RSC as important.</p> <p>The outline in this Recommendation of the guidance to be given to the AER in considering such applications appears to be reasonably flexible. SP AusNet is concerned however re the Comments against this Recommendation states "Distributors would only be able to seek variation to deal with the unique characteristics of their network". This appears to be a significantly more restricted position.</p> <p>Further clarity / consistency re this criteria is necessary.</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</p>		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
Distributor interface with retailers				
		between a distributor and a retailer will not be subject to variation by the AER as an outcome of an access dispute.		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AUSNET SUBMISSION
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	SP AusNet Submission
Retailer business authorisation				
<p><i>The Policy Paper makes a number of statements re Distribution Authorisation/Licenses which are not reflected in specific Recommendations.</i></p>				
<p><i>SP AusNet generally agree with the key aspects of Distributor licensing/authorisation made in Sect 6.1 of the Policy Paper:</i></p>				
<ul style="list-style-type: none"> <i>• National Distributor authorisation scheme not to be introduced</i> <i>• Jurisdictional Licenses to remain</i> <i>• Content of existing Distributor licenses to be reviewed against the new NECF and any duplication of obligations removed</i> <i>• Licenses will continue to support jurisdictionally retained functions eg service standards, technical and safety functions, etc.</i> 				
<p><i>However we have some specific comments re this proposed license framework:</i></p>				
HIGH	Jurisdictional involvement	<p><i>Whilst SP AusNet recognises that the structure outlined above requires the Jurisdictional Regulator to retain powers to produce ‘guidelines’ to support their regulation of the jurisdictionally retained functions, it is important that the framework have measures to ensure that these powers are not used by Jurisdictions to introduce modifications to the obligations of Distributors outside the jurisdictionally retained functions. These measures should ensure that changes to obligations outside the jurisdictionally retained functions are progressed via a policy change approach to the AEMC.</i></p>		
HIGH	Distributor license exemptions (embedded networks)	<p><i>It is SP AusNet’s view that there should be at least a minimum national basis defined in the framework for Embedded Networks. The extent and detail in the framework above this base line minimum will largely depend on the customer protection and retailer access policy positions which are established in conjunction with the national framework. As discussed under Recommendation 1.44 re Retailer license exemptions, the lack of clear policies in some jurisdictions (or lack of a national policy), regarding these customer/retailer aspects has been a key barrier to achieving a workable operational framework for Embedded Networks.</i></p>		
<p><i>SP AusNet considers that the minimum framework basis should be:</i></p>				
<ul style="list-style-type: none"> <i>• a license exemptions registration arrangement across both Retailer and Distributor exemptions. We note that having Retailer registration appears to be a SCO supported feature of the Retailer exemptions framework (Recommendations 1.45 and 1.47).</i> <i>• recognition that reference to broad Distributor obligations is not sufficient to define all Embedded Network license exempt distributor functions. eg the license exempt Distributor generally cannot access NEMMCO processes directly and must work through Participants</i> 				
<p><i>If access to Retailer of Choice is required to be available to customers on Embedded Networks then a wider range of functions above this minimum framework require consideration eg network billing arrangements, fault response details, switching arrangements, etc</i></p>				
HIGH	Jurisdictional license exemptions and national Embedded Network framework – how achieved?	<p><i>The Policy Paper is recommending that the authorising/licensing of Distributors is to remain with the Jurisdictions and as stated above we consider this appropriate. However if</i></p>		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Retailer business authorisation				
<i>this is the case then what would be the basis of the NECF establishing arrangements and obligations for license exempt distributors and Embedded Networks?</i>				
1.38	Substantive obligations as licence conditions	Substantive regulatory obligations will be contained in the Law and Rules rather than in licence conditions.		
1.39	Regulation of entry requirements	The Law will contain a general prohibition on a person engaging in the retail sale of energy, unless the person has obtained a retailer authorisation from the AER in relation to the carrying out of that activity, or is exempted from the requirement.	<p>No national distributor authorisation will be introduced as part of the new national customer framework legislative package.</p> <p>Therefore the new general prohibition will not extend to a prohibition on carrying on a distribution business without a national business authorisation. Jurisdictional licensing will remain in place for safety and technical matters.</p>	Refer comments immediately above re Distributor licensing and Embedded Networks
1.40	Entry tests	<p>The Law will set out the entry requirements to be satisfied by persons wishing to obtain energy business authorisations as retailers, and enable the AER to issue guidelines in relation to the authorisation procedures and its approach to assessing the criteria for authorisation.</p> <p>The criteria for business authorisation will include elements relating to the organisation and technical capacity necessary to meet the obligations of a retailer under the Law and Rules including:</p>		<p>MED SP AusNet recognises that the Retailer licensing regime must not have unreasonable barriers to new retailers entering the market. However we consider that the Retailer licensing regime is not providing sufficient “protection” for industry (particularly</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Retailer business authorisation				
	<p>Financial viability</p> <p>Suitable person</p> <p>Market operator registration</p>	<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 by NEMMCO or the relevant gas market operator in accordance with any registration requirements under the NER or NGR. 		<p>Distributors) from the requirement to provide unreasonable levels of support for new Retailers because they lack fundamental understandings of market operation and the necessary resource to support normal functions.</p> <p>SP AusNet considers that some form of competency check should be incorporated into the licensing regime.</p> <p>Note the IEC and its Reference group is working to establish a Certification and testing Procedure which will put specific obligations on entrant Retailers.</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Retailer business authorisation				
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 (AEMO) 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.		
1.44	Exemptions	The Law will authorise the AER to exempt a person from the prohibition in accordance with the Law, the Rules and any guidelines issued by the AER.	The Rules will require the AER to develop "Exempt Retail Supply Guidelines" which must set out categories of exemptions, including:	<p>HIS: As we have outlined above in <i>Distributor license exemptions (embedded networks)</i> it is SP AusNet's view that there should be</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Retailer business authorisation				
		<p>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>	<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>at least a minimum national basis in the framework for license exemptions and retailing (and providing distribution services) in Embedded Networks.</p> <p>If access to Retailer of Choice is required to be available to customers on Embedded Networks then a wider range of functions require consideration eg allocation of NMIs to all Embedded Network customers to allow them to be “discovered” by Retailers; market compliant metering to allow transfer without a barrier, etc.</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</p>		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Retailer business authorisation				
		<p>having regard to the national Retailer of Last Resort project, but the key elements of such a regime would include:</p> <p>1. The relevant matters that must be satisfied before the AER can consider revoking an authorisation such as:</p> <ul style="list-style-type: none"> • There must be a history of demonstrated and persistent breaches of the Rules with material consequences for third parties. • 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. 		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Retailer business authorisation				
		3. Managing the orderly transfer of customers of the retailer and any other obligations.		
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	SP AusNet Submission
Enforcement mechanisms				
<p>HIGH <i>Enforcement structure</i> <i>SP AusNet considers that a key detail of the framework should be:</i></p> <ul style="list-style-type: none"> • <i>a high level outline of the enforcement hierarchy to which the AER must comply, and</i> • <i>an obligation on the AER to produce in some detail its enforcement hierarchy and its breach escalation process based on this high level outline.</i> <p><i>The objective would be to ensure consistency and proportionality in the approach to enforcement applied by the AER</i></p>				
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 entities³ 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 	<p>The regulatory reporting regime adopted by the AER would be modelled on current jurisdictional reporting requirements and are to be developed through a public consultation process. Any regulatory regime developed by the AER should reflect the relative importance of particular breaches of the Law or Rules.</p> <p>Consideration will be given to the extent to which regulatory information instruments will be used for these purposes.</p>	<p>HIGH</p> <p>SP AusNet make the following comments:</p> <ul style="list-style-type: none"> • this Recommendation makes no mention of the reporting framework which the Policy Paper promotes as a fundamental part of the regime. This is a little inconsistent. • the integration of amended obligations into industry's business processes and compliance monitoring will not be trivial tasks, and the introduction of the compliance reporting requirements should take this into account. • The register of obligations subject to reporting should practically prioritise obligations and concentrate on those where significant impact risk resides • Whereas it is probably not

³ References to 'regulated entities' in the paper are to distributors and retailers under the national customer framework.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Enforcement mechanisms				
		<ul style="list-style-type: none"> a requirement for the AER to report on its compliance monitoring and enforcement functions. 		<p>unreasonable to give the AER the scope to use extensive compliance reporting AND audits, the framework must place obligations on the AER to establish a regime which achieves a reasonable balance between costs and risks, and avoids duplication of effort between routine and ad hoc mechanisms.</p> <p>HIGH The Policy Paper (again with minimal reference in this Table) suggests an expanded use of "regulatory information instruments". The need for such expansion is unclear from the SCO paper, and particularly if industry self-reporting is to be established. Clarification is required to support this proposal as efficient.</p> <p>SP AusNet again suggests that the framework must place obligations on the AER to implement through its Guidelines effective and efficient reporting processes.</p>
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	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.	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Enforcement mechanisms				
1.80	Additional powers for courts to make orders	provisions. No longer required.	AAR recommended that consideration be given to expanding the description of orders available to the Court. SCO has decided not to expand Court powers to compensatory or other orders for the following reasons: <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.		
1.82	Administrative remedies	The NEL and NGL will include provisions that enable the AER to		MED The application of enforceable undertakings should be reflected in the

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Enforcement mechanisms				
		accept enforceable undertakings modeled on section 87B of the <i>Trade Practices Act 1974</i> (C'th).		enforcement hierarchy that the AER would publish
1.83	Revocation of business authorisation	The AER's power to revoke a business authorisation is only to be used as a last resort after all other enforcement mechanisms have been exhausted, and not as an enforcement mechanism to address one-off breaches.		
1.84	Additional enforcement issues – conduct provisions	Certain obligations arising from the distribution and retail regulatory functions will be enforceable as between the affected parties (distributors and retailers) for a specified and limited list of provisions that are identified as 'conduct provisions'.	<p>The new NGL includes a regime by which certain obligations may be nominated as conduct provisions which allows enforceability as between the two parties. This type of regime will be introduced into the NEL.</p> <p>Generally, SCO considers that provisions imposing an obligation on a party for the purpose of conferring a benefit on distributors, retailers and/or large end users would be the type of provision best suited to being a prescribed conduct provision. However, which provisions are identified as conduct provisions will be the subject of further consultation in the drafting of the package.</p>	<p>HIGH SP AusNet is not convinced that it is warranted or desirable to move from the current approach which prohibits private enforcement actions in favour of the more consistent approach achieved through the AER.</p> <p>As regulated businesses dealing with mass numbers of customers it is not always possible or desirable to provide equal service in every circumstance without large incremental increase in resources or capability which are difficult to justify on a broad community benefit case. The AER is capable of recognising and balancing this cost/service level equation.</p> <p>It is not possible for individual customers to see this view, hence private enforcement is likely to lead to an undermining of the cost/risk balance which is the foundation of the Distributors' price reviews and charges.</p> <p>Large customers generally have</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Enforcement mechanisms				
				<p>individually Negotiated CDCs and have the wherewithal to negotiate these contracts to achieve the best balance of price, costs and risks. To provide these customers with another avenue to pursue a grievance with a Distributor by a more direct appeal to the Distributor's performance against the related obligations, would appear to be a distortion of the basis of the negotiated relationship.</p> <p>SP AusNet hence does not support this proposed change, particularly when coupled with the proposed change to use lower courts to hear these cases.</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</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</p>	<p>HIGH We have reservations about the use of lower courts as part of the enforcement regime.</p> <p>Whereas we understand the factor of the lower costs associated with these</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Enforcement mechanisms				
		(as at present) only in the Federal Court and Supreme Courts.	resolving disputes between gas distributors and retailers.	<p>courts, we have concerns that:</p> <ul style="list-style-type: none"> • Because of these lower costs and the reduced cost “hurdle”, recourse to court could become a growing feature of the compliance regime. • In a complicated industry like energy where often the “devil” (and outcomes) is in the detail, we are not convinced that lower courts will have the competency to deal properly with issues raised. • We would have particularly strong concerns if the use of lower courts with low “entry” cost, were coupled with a regime which allowed private enforcement.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENTS	SP AusNet Submission
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.		
1.86	Supplementary objectives	No supplementary objectives will be introduced for the new national customer framework.		

Part 2 –

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	SP AusNet Submission
Regulation of standard retail and market retail contract terms				
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</p>	<p>SCO notes that separate transitional provision will be made for jurisdictions where a regulated tariff continues.</p>	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of standard retail and market retail contract terms				
		contract and variations must be notified to the customer in accordance with requirements set out in the contract.		
2.2	Use of meter data	<p>Unless otherwise permitted, a retailer must base the calculation of charges for a small customer's bill on metering data provided by the distributor or other responsible person in accordance with the Rules.</p> <p>A retailer may base the calculation of charges under a bill on an estimation of a small customer's consumption of energy in the following circumstances:</p> <ul style="list-style-type: none"> • 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 May be varied by agreement in market retail contracts.</p>		
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		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of standard retail and market retail contract terms				
2.4	Estimations	<p>least once in each 12 month period.</p> <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 comparable customer over the corresponding period. <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; 		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of standard retail and market retail contract terms				
		<ul style="list-style-type: none"> • 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 May 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 where:		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of standard retail and market retail contract terms				
		<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 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 A small customer is required to give no more than 28 days notice to terminate a market retail contract.</p>		
Security				
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; 	SCO considers that provision for instalment payment for security deposits more appropriately deals with the issue of customer credit risk.	

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Regulation of standard retail and market retail contract terms				
		<ul style="list-style-type: none"> • 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. <p>Payment of a security deposit in instalments will be provided for.</p> <p>Market Retail Contract Annotation</p> <p>May be varied by agreement in market retail contracts.</p>		
2.10	Information about credit history	<p>If a retailer requires a security deposit on the basis that a small customer has an unsatisfactory credit history, the retailer must inform the customer:</p> <ul style="list-style-type: none"> • 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		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of standard retail and market retail contract terms				
		<p>exceed:</p> <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). <p>Market Retail Contract Annotation</p> <p>May be varied by agreement in market retail contracts.</p>		
2.12	Interest	<p>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.</p>		
2.13	Application of security	<p>The retailer may only apply a security deposit to off-set amounts owed to it where the customer has failed to pay a final bill and:</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 		

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Regulation of standard retail and market retail contract terms				
		<p>disconnection; or</p> <ul style="list-style-type: none"> • 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 May be varied by agreement in market retail contracts</p>		
2.14	Repayment of security	<p>The retailer must repay a security deposit to the customer:</p> <ul style="list-style-type: none"> • 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 May be varied by agreement in market retail contracts.</p>		
Billing, apportionment of payment, disputes				

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of standard retail and market retail contract terms				
2.15	Frequency of bills	Energy bills must be issued by the retailer at least every three months. Market Retail Contract Annotation May be varied by agreement in market retail contracts.		
2.16	Content of bills	A bill should include the following content: <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; 		<p>HIGH There has been some discussion in Victoria regarding what content will be included on customer bills based on interval data.</p> <p>This is a complicated matter involving consideration of:</p> <ul style="list-style-type: none"> • What data is available for customers to read at site from Smart meters • The relationship of these Register Reads to the interval data read from the meters • The need for the customer to have a start and end read even if an aggregated interval data consumption, and the relationship of these to actual tariffs • The data available to Retailers <p>This debate is not reached any conclusions and the national framework decisions re bill content will need to monitor and draw from the Victorian decision process.</p>

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Regulation of standard retail and market retail contract terms				
		<ul style="list-style-type: none"> • 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. <p>Amounts billed for goods and services (other than the supply of energy) must be included in a separate bill or as a separate line item on an energy bill.</p>		
2.17	Payment terms	The due date for payment of a bill may not be less than 12 business days from		

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Regulation of standard retail and market retail contract terms				
		<p>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>	
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>		
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>		

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		<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 • 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</p>		

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Regulation of standard retail and market retail contract terms				
		<p>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>		
2.22	Overcharging	<p>A retailer must promptly inform the customer within 10 business days of becoming aware of an overcharge that exceeds the relevant threshold amount and must repay any amount overcharged.</p> <p>If the amount overcharged is less than the threshold amount, the retailer must credit that amount to the next bill. If the amount overcharged exceeds the relevant threshold, the retailer must credit the customer's next bill unless otherwise directed by the customer.</p>	The initial overcharge threshold amount is proposed to be \$50.00.	
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; 		

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Regulation of standard retail and market retail contract terms				
		<ul style="list-style-type: none"> • 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	<p>A customer may be offered a payment plan if:</p> <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>The extent of circumstances under which retailers are obliged to offer instalment payment plans and other services to hardship customers are separately covered under recommendations 1.20A-1.20E.</p>	

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Regulation of standard retail and market retail contract terms				
		<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>		
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 	SCO seeks comment on the effectiveness of shortened collection periods for managing customer debt.	

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Regulation of standard retail and market retail contract terms				
		<p>informing the customer that;</p> <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 customer has paid three consecutive bills in the customers billing cycle by the pay by date c) alternative payment arrangements may be available; and d) the customer may obtain further information from the retailer (on a specified telephone number) <p>A retailer must give a customer notice that the retailer has placed the customer on a shortened collection</p>		

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Regulation of standard retail and market retail contract terms				
		cycle within 10 business days of doing so.		
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. 		
2.27	Limitations on disconnection	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		

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Regulation of standard retail and market retail contract terms				
		<p>income.</p> <p>In these circumstances, the retailer is (where the customer is a hardship customer) required to comply with its obligations under its Customer Hardship Policy before proceeding to disconnect a customer.</p> <p>Retailers are not entitled to disconnect while an application for Government assistance or a payment plan is pending or there is an unresolved complaint relating to the outstanding 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>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>	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of standard retail and market retail contract terms				
		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.		
2.29	Reconnection	<p>A retailer must notify a small customer of the arrangements which the customer will need to make in respect of reconnection, including any costs payable by the customer. Any payment arrangements for reconnection must allow for fair and reasonable payments at fair and reasonable intervals.</p> <p>A retailer must reconnect premises if the breaches described above are remedied within 10 business days. Retailers must make appropriate arrangements with the relevant distributor to ensure that reconnection occurs as soon as possible for the customer.</p>		
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 	<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</p>	

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Regulation of standard retail and market retail contract terms				
		<ul style="list-style-type: none"> 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>detailed provisions are developed during the drafting of the initial Rules for the new national customer framework.</p>	
Miscellaneous				
2.31	Prepayment meters	<p>A customer may agree but cannot be required to use a prepayment meter.</p>	<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 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>	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of standard retail and market retail contract terms				
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.		
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>		<p>MED There are some market process implications resulting from the cooling-off period arrangements as they currently exist.</p> <p>The industry understands the fundamental customer protection aspects of the 10 day period, however when the customer is a move-in customer the industry must take actions within this period on behalf of the customer to ensure they get supply.</p> <p>There are issues for the industry when transactions are exchanged for this service, but when the fundamental actions in the CATS system to transfer the connection point have not been initiated.</p> <p>This level of detail should be considered in association with the new framework.</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</p>		

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Regulation of standard retail and market retail contract terms				
		<p>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> <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.		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of standard retail and market retail contract terms				
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.	
2.39	Fees for late payment	Fees for late payment will be expressly permitted under standard retail contracts, provided that the retailer publishes a late payment fee with the standing offer tariff. Where a customer is a hardship customer (see recommendation 1.20A) (whether that customer is taking supply under a standard or market retail contract, a retailer must waive late payment fees.	The amount of the late payment fee may be set by jurisdictions where retail price regulation continues	
2.40	Compensation for wrongful disconnection	Retailers are not required to pay compensation to customers who are wrongfully disconnected.		
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		

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of standard retail and market retail contract terms				
		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.	
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.	
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.	
2.46	Greenhouse gas emissions information on bills	Bills must include information concerning greenhouse gas emissions in accordance with guidelines.	The arrangements for presentation of this information are currently being developed by the Consumer Information Implementation Committee.	
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.	
2.48	Service standards	Retailers must comply with specified service standards.		

Part 3 – Regulation of marketing conduct

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

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
3.1	Pre-contractual disclosures - timing/form	<p>A retailer must provide a small customer with certain specific information as follows:</p> <ul style="list-style-type: none"> (a) prior to formation of a market retail contract: where the prescribed matters may be disclosed in writing, electronically or verbally; and (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). 	
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> <ul style="list-style-type: none"> (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; (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; (c) cooling-off period: details of rights to rescind the contract, including how to exercise these rights; (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 	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<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> <ul style="list-style-type: none"> (a) misleading, deceptive or unconscionable conduct; (b) undue pressure, harassment or coercion; and (c) the quality, form and content of marketing information. <p>Marketers must have, and retailers must ensure that marketers have, adequate product knowledge. Adequate product knowledge covers knowledge of matters such as tariffs, billing procedures and the availability of rebates and concessions.</p>	
3.6	Duties of marketers	<p>At all times in connection with any marketing activity, a marketer must identify his or herself to a small customer. Identification involves the marketer using best endeavours to provide the small customer with:</p> <ul style="list-style-type: none"> (a) the marketer's first name; (b) any relevant identification number; (c) the name of the retailer on whose behalf the marketing contact is being made and contact details for the retailer; 	

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT
		<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.	
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.	
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.	
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	SP AusNet Submission
Regulation of distributor-customer contract terms				
4.1	Commencement of contract (as between the distributor and the customer at particular premises)	<p>The customer distribution contract will apply in relation to a particular customer and premises:⁴</p> <ul style="list-style-type: none"> 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. 		<p>HIGH SP AusNet made the following comment under Recommendation 1.26B:</p> <p>Most “customer distribution services” are not provided to a newly connected, but not energised, connection point/premises. Until the site is energised the Distributor will not provide most services (certainly will not provide energy transport, and notionally fault response, voltage levels etc are not relevant), and until a Distributor meter is installed, will not provide meter reading and data services.</p> <p>In fact, on this basis the Distributor will not, and must not under the Victorian UoSA, charge a standing charge for the premises.</p> <p>Further under Recommendation 1.27 SP AusNet states:</p> <p>SP AusNet would consider that the</p>

⁴ Note SP AusNet revised punctuation for clarity.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of distributor-customer contract terms				
				<p>Deemed or AER Approved CDC will not arise until the connection point is initially energised</p> <p>Both are relevant here and SP AusNet re-emphasises these in association with this Recommendation.</p> <p>Refer also SP AusNet comments under Recommendations 1.27 and 4.3 re continuation of services following a disconnection/de-energisation of a connected customer.</p>
4.2	Collection of charges	<p>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.</p>		
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; 		<p>HIGH SP AusNet made the following comment under Recommendation 1.27 re the Duration of the CDC:</p> <p>It is reasonably clear that when the customer moves out that the CDC with that customer is no longer in effect. However if the customer does not inform their Retailer then under this Recommendation's specific wording does the CDC still have effect as the customer is notionally still responsible to its retailer for consumption?</p> <p>Further it is not clear whether the</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of distributor-customer contract terms				
		<ul style="list-style-type: none"> • the effective date of a negotiated distribution contract for the premises; or • the date otherwise agreed between the customer and the distributor. 		<p>CDC is in effect if the customer (or their Retailer) request disconnection (de-energisation). In this circumstance the customer (and Retailer's) expectation is that any standing charges for the site cease. Does this mean the CDC no longer remains in effect? This needs to be clear.</p> <p>Note, whilst a number of customer distribution services obviously cease, the Distributor will continue to provide a range of services. Some site specific services like meter maintenance and more broad services like voltage level support etc will continue. Also meter reading will generally continue. Which obligations apply in these circumstances needs to be clear in the framework.</p> <p>This comment is relevant here and SP AusNet re-emphasises it in association with this Recommendation.</p>
4.4	Interruptions to supply	The contract will refer to the provisions of the Rules in relation to interruptions and curtailments to supply.		
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</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	LOW We note that this indicative list includes some items for which GSLs are not applicable in Victoria.

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of distributor-customer contract terms				
		with via GSL/Service Standards: <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. 	through the Rules to ensure that customers are made aware of what their particular entitlements are in this respect.	
<p>HIGH Liability considerations <i>SP AusNet agrees with the SCO view presented in the Policy Paper that: "...a robust and reasonable liability management regime is an essential element of the contractual model."</i></p> <p><i>Across the Policy Paper statements in Section 2.7 re Liability between parties; Recommendation 2.30 re Customer-Retailer Liability; 4.6 re Distributor – Customer Liability; and 5.10 re Distributor – Retailer Liability, SCO have put forward a range of fundamentals for a liability regime and suggested a number of specific approaches for the liability arrangements between the parties, many of which SP AusNet considers are worthwhile.</i></p> <p><i>SP AusNet has not completed a detailed analysis of these SCO proposals and options, nor completed a detailed comparison with the current liability regime in Victorian instruments in the context of assessing the desirable features we consider should be included in the national approach.</i></p> <p><i>Our preliminary broad view is that the following aspects of a liability regime are important:</i></p> <ul style="list-style-type: none"> • <i>The Trade Practices Act should provide the basis of broad framework for failure to deliver specified level of service and liabilities should not extend beyond the TPA liabilities</i> • <i>Liability limited to the extent caused or contributed to by the Distributor's default or negligence</i> • <i>Caps or other limitations are necessary, recognising that the potential liability or mitigation costs of some risks, or the insurance cover costs, would not reflect an efficient societal allocations of costs</i> • <i>Liabilities must be correctly allocated to party(ies) with responsibility and control of service in the area including recognition of the customer role in some elements of service provision</i> 				

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of distributor-customer contract terms				
<ul style="list-style-type: none"> <i>Recognition of the role played by the GSL scheme in rationalising costs to serve and individual service failures</i> 				
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 will limit any obligation to make a GSL/compensation payment.</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>	
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.		LOW Energy advice services often act on behalf of the customer and the framework should also recognise and make clear that the Distributor cannot release data to such a third party without specific advice from the Customer involved.
4.8	Disconnections and reconnections (excluding temporary supply)	The customer distribution contract will adopt the provisions of the Rules in relation to the circumstances in which a distributor may, or must, disconnect.		MED There are a number of reasons for a Distributor seeking to disconnect (de-energise) a customer. These are listed in Recommendation

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Regulation of distributor-customer contract terms				
	interruptions)	<p>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 	<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>1.31 (including SP AusNet suggested additional wording). The circumstances for not disconnecting listed in this Recommendation will not be applicable to all reasons for disconnection. Hence the framework should make it clear which of the circumstances apply to which disconnection reasons.</p> <p>eg 1 if directed to disconnect by a relevant authority there will be no delay even on weekends.</p> <p>eg 2 If the customer requests de-energisation presumably the time/day limitations do not apply?</p> <p>Other combinations are more subtle and should be detailed for clarity.</p> <p>MED SP AusNet understand that the restricted times and days for de-energisation are for bad debt actions, and specifically because of the cost of arranging an after hours reconnection. However once Smart meters are in place with remote energisation capability, will these restriction still apply?</p> <p>MED The specifics of what complaints are covered by the second last dot point need clarification</p> <p>MED This set of requirements regarding re-connection does not match the practical situations, nor the parties and processes involved:</p>

NO.	SUBJECT	SCO RECOMMENDATION	COMMENT	SP AusNet Submission
Regulation of distributor-customer contract terms				
		<p>and the customer requests; 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>		<ul style="list-style-type: none"> In the first dot point, which appears to relate to disconnection for Retailer or Distributor related reasons (bad debt, safety issue, etc) normal practise would be to assume that once the reason is removed the customer wants to be re-energised ie there is no expectation of a customer request. If the customer has requested de-energisation and subsequently requested re-energisation normal timeframes will apply (including in Victoria if request from Retailer is received by the Distributor before 3:00 pm, re-energisation the same day). Note the obligation requires sequential actions by the customer, Retailer and Distributor and hence obligation timeframes must recognise these "handovers". We do not understand the meaning of the last paragraph of the Recommendation. <p>HIGH Smart meters will enable re-energisation (and de-energisation) at very short lead times (relative to manual actions). As the timings for smart meters are likely to be in place before the NECF is finalised, the framework will need to include these timings.</p>

