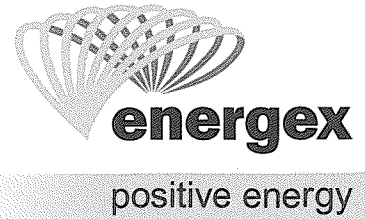


- 7 SEP 2009

DATE RECEIVED

4 September 2009

Mr E J Hall
Chief Executive
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001



Dear Mr Hall

Retailer Reporting Requirements – Electricity and Gas Industry Code Reviews

ENERGEX welcomes the opportunity to comment on the Authority's Interim Consultation Notice – Retailer Reporting Requirements Electricity and Gas Industry Code Reviews (Consultation Notice) released on 21 August 2009.

ENERGEX'S comments on the Consultation Notice are in response to the following issues that impact ENEREX as a Distribution Network Service Provider:

- Reporting of disconnections initiated by a distributor; and
- Terminating the restriction on special meter reads for 'in situ' transfers.

While ENEREX appreciates the importance of the changes being proposed, it should be noted that there will be associated costs for ENEREX in the implementation of these changes.

Further comments on the above issues are included in the attached response. Should the Authority wish to discuss any of these issues further please do not hesitate to contact Mick Ryan, Regulatory Affairs Manager - Operations on 07 3407 4386.

Yours sincerely

[Redacted Signature]

Louise Dwyer
Group Manager Regulatory Affairs

Enquiries
Louise Dwyer
Telephone
(07) 3407 4161
Facsimile
(07) 3407 4499
Email
louisedwyer
@energex.com.au

Corporate Office
150 Charlotte Street
Brisbane Qld 4000
GPO Box 1461
Brisbane Qld 4001
Telephone (07) 3407 4000
Facsimile (07) 3407 4609
www.energex.com.au

QCA Interim Consultation Notice

Retailer Reporting Requirements

Electricity and Gas Industry Code Reviews

ENERGEX LIMITED
ABN 40 078 849 055



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1. INTRODUCTION

ENERGEX Limited (ENERGEX) welcomes the opportunity provided by the Queensland Competition Authority (QCA) to submit comments on the Retailer Reporting Requirements – Electricity and Gas Industry Code Review Interim Consultation Notice (Consultation Notice).

ENERGEX'S comments on the Consultation Notice are in response to the following issues that impact ENERGEX as a Distribution Network Service Provider:

- Reporting of disconnections initiated by a distributor; and
- Terminating the restriction on special meter reads for 'in situ' transfers.

ENERGEX's responses to these issues are provided below.

2. REPORTING REQUIREMENTS

The Authority seeks stakeholders' views on the proposal to require distributors under both Codes to separately report the number of disconnections initiated by them.

ENERGEX appreciates the importance of useful and timely data to assist the QCA in its monitoring role and endeavours to assist the QCA through the provision of data under current reporting requirements. However, it should be noted that the additional reporting requirements on ENERGEX will result in some additional costs incurred to facilitate necessary process and systems changes.

ENERGEX's obligation to supply a customer is provided for under the *Electricity Act 1994*. Section 40E of the Electricity Act along with Clause 3.6.1 (b) to Clause 3.6.1 (m) of the Electricity Industry Code (EIC) specifies instances when a distribution entity is entitled to initiate disconnection or interruption of supply to a customer's premises.

ENERGEX predominantly initiates disconnection of a customer's premises for health or safety reasons. In these instances ENERGEX attends a customer's premises and identifies a potential safety hazard, notifies the customer of the hazard and the need for rectification work, disconnects the premises and advises the customer's retailer of the disconnection. Reconnection of the premises will not be undertaken until the fault or hazard has been rectified.

Currently, for ENERGEX to be able to report these disconnections manual data extraction and consolidation is required. In order to provide this data on a regular and timely basis, it would be necessary to develop an automated extraction and

reporting solution. ENERGEX would need sufficient time to implement the reporting process to satisfy this proposal.

Preliminary analysis indicates there would be approximately 900 distributor initiated disconnections annually, with the majority relating to issues arising from the customer's installation or connection. ENERGEX suggests that an assessment be made of the purpose/value of this network reporting prior to any obligation being implemented.

3. RESTRICTION ON SPECIAL METER READS

The Authority seeks stakeholders' views on whether the Authority should:

- *terminate the current restriction on special meter readings in respect of in situ transfers; and*
- *if the restriction is terminated, change the Electricity Code to require explicit customer consent before a retailer can request a special meter reading for such a transfer.*

3.1 Terminating the restriction

ENERGEX has identified the following implementation changes necessary for this proposal. The resource requirements are difficult to forecast due to the uncertainty of the customers' willingness to pay. The identified changes are listed below:

- Additional resources to undertake off-cycle meter reads;
- Associated scheduling and work management equipment for additional meter readers;
- Workforce Management and e-Business system changes to accommodate additional volume of off-cycle meter reads and associated staff training;
- Additional Customer Contact staff to perform outbound contact with customers to arrange appointment windows;
- Changes to B2B specifications to include an 'off-cycle transfer read' sub type for a Special Read Service Order;
- Changes to current service description in Standard Excluded distribution Services schedule where the current description for special meter reads is 'Check Read'.

Given these requirements ENERGEX recommends that the proposal is introduced from 1 July 2010.¹ This will provide time to implement the required system and

¹ Subject to QCA's Final Decision being released on or before 23 November 2009.

process modifications and incorporate any additional resource requirements into budgeting and tendering processes.

ENERGEX requests the QCA note the following:

- The requirement to undertake a special meter read when the transfer is requested will have minimal impact on the scheduling of cyclical meter reads for ENERGETX as these are scheduled on a geographical basis; and
- The requirement for the payment of a fee to ENERGETX if a meter reader attends a customer's premises and is unable to gain access to that site, as ENERGETX will have incurred the cost of scheduling and sending the meter reader to site.

3.2 Customer consent

ENERGEX notes the Consultation Notice's reference at different points to the requirement for "explicit consent" or "explicit customer consent". ENERGETX understands this matter is raised to ensure that customers transferring 'in situ' are explicitly informed by the retailer that they will be liable for a special meter reading fee.

ENERGEX believes that, should the restriction be removed, the retailer requirements under clause 6.3.1(a) of the EIC be considered relevant in the current context. Pursuant to clause 6.3.1(a) of the EIC, a retail entity must not initiate or affect the transfer of a customer without obtaining the explicit informed consent of that customer. "Explicit informed consent" is defined in clause 10.1.1 of the EIC as consent provided by a customer where:

- (a) the customer provides express conscious agreement;
- (b) the relevant retail entity has fully and adequately disclosed all matters relevant to that customer, including each specific purpose for which the consent will be used; and
- (c) all disclosures referred to in paragraph (b) are truthful and have been provided in plain English.

ENERGEX's interpretation of sub-clause (b) is that the retailer would be obliged to disclose to the requesting customer the relevant matter of the special meter reading fee. ENERGETX requests that the QCA confirm that this interpretation accurately reflects the scope of clause 6.3.1(a) of the EIC, and establish its application for special meter reads relating to 'in situ' transfers.