

AMENDMENTS TO THE ELECTRICITY INDUSTRY CODE – REQUIRING PRIOR NOTICE FOR PRICE CHANGES

This document contains the amendments that the Authority will make to the Electricity Industry Code to give effect to its Final Decision to require prior notice for price changes. The changes are to come into effect on 1 July 2010. This is a “final version of the proposed amendments to the Code” for the purposes of section 222O(b) of the Electricity Regulation 2006.

The following paragraphs contain the amendments to the Code proposed by the Authority (marked in **bold**):

4.1.1 Application of this Chapter

(a) This chapter applies to:

- (i) all *retail entities*
- (ii) in respect of clause 4.2.10(b), all distribution entities;
- (iii) subject to paragraph (b) in relation to retail contracts with all *small customers*; and**
- (iv) in respect of clauses 4.12.6, 4.12.7 and 4.12.8, *negotiated retail contracts with all small customers made before or after the date this code takes effect.***

4.12.1 Obligations on retail entities

Subject to clauses 4.12.6, 4.12.7 and 4.12.8, where during a billing cycle a small customer changes from one type of tariff to another type of tariff for customer retail services, the retail entity must (if it is necessary to do so due to the change in the type of tariff applying to that small customer):

- (a) obtain a meter reading (or metering data) at the time the type of tariff changes; and
- (b) calculate the *small customer's* bill using the type of tariff applying:
 - (i) the old type of tariff up to but not including the date of the meter reading; and
 - (ii) the new type of tariff from and including the date of the meter reading.

4.12.2 Change of tariff within a billing cycle

Subject to clauses 4.12.6, 4.12.7 and 4.12.8, where during a billing cycle the tariff rate or charge applying to a small customer changes, the retail entity must calculate the bill on a pro rata basis using:

- (a) the old tariff rate or charge up to but not including the date of change; and
- (b) the new tariff rate or charge from and including the date of the change to the end of the billing cycle.

8.3.2 Changes to negotiated retail contracts

- (a) the retail entity must inform the QCA of any changes to the information provided under clause 8.3.1 **and the date the changes take effect no less than 10 business days prior to the price changes taking effect.**

Insert additional clauses 4.12.6, 4.12.7 and 4.12.8 as follows:

4.12.6 No retrospective *price changes*

Excluding applications made under Clause 4.12.3 of the Code, if a *price change* applying to a *small customer* under a *negotiated retail contract* is proposed by the *retail*

entity, the *retail entity* must provide a notice to the *small customer* in accordance with Clauses 4.12.7 and 4.12.8 at least 10 *business days* before the *price change* takes effect.

4.12.7 Notification of *price changes*

In respect of Clause 4.12.6, a *retail entity* must notify a *small customer* of a *price change* under a *negotiated retail contract* by:

- (a) individual written communication including full details of the *price change* via standard postal mail (or via email or mobile text messaging services provided this form of communication has been agreed with the *small customer*); or
- (b) newspaper advertisement, provided that:
 - (i) the *small customer* is notified of the date of an impending *price change* in a bill message (or via email or mobile text messaging services provided this form of communication has been agreed with the *small customer*) prior to the *price change*, stating when (date) and where (website, press notification and any other location) full details of the *price change* will be available;
 - (ii) no less than 10 *business days* prior to the date of the *price change*, publish the new prices (including the percentage increase from the existing prices) in a newspaper/s circulating throughout Queensland;
 - (iii) no less than 10 *business days* prior to the date of the *price change*, publish the new prices and full details of the impact of *price change* on the *retail entity's* website; and
 - (iv) full details of how the *price change* has affected *small customers* is attached to the next bill received by the customer.

4.12.8 Full Details

In respect of Clauses 4.12.6 and 4.12.7 the notification of 'full details' should include as a minimum:

- (a) a table outlining the tariff rates and charges relating to the *negotiated retail contract* prior to and subsequent to the *price change* and the percentage change in these tariff rates and charges.
- (b) a table outlining the estimated annual cost of the *negotiated retail contract* prior to and subsequent to the *price change* and the percentage change in costs incurred due to the *price change* (assuming consumption is spread evenly over the year and excluding rebates or fees listed below in paragraphs (c) to (h)) for a *small customer* with an annual electricity consumption level of:
 - (i) 2MWh (excluding off-peak hot water);
 - (ii) 5MWh (excluding off-peak hot water);
 - (iii) 8.5MWh (excluding off-peak hot water); and
 - (iv) 1.5MWh of off-peak hot water;
- (c) the amount (and change if applicable) of any loyalty rebate;
- (d) the amount (and change if applicable) of any entry rebate;
- (e) the amount (and change if applicable) of any account establishment fees;
- (f) the amount (and change if applicable) of any exit or early termination fees;
- (g) the amount (and change if applicable) of any direct debit rebate;

- (h) the amount (and change if applicable) of any other fees and charges;
- (i) the date from which the new prices are applicable;
- (j) how or where consumers can obtain information to manage their energy usage;
and
- (k) the rights of consumers to switch energy providers.

Insert definitions in 10.1.1 Definitions:

Price Change includes any change to a tariff rate or charge or type of tariff applying to a *small customer* but excludes any change to *distribution non-network charges*.