



17 April 2014

Dr Malcolm Roberts
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

By e-mail: electricity@qca.org.au

Dear Dr Roberts

Draft Decision – Proposed amendments to customer notification and consent provisions in the Electricity and Gas Industry Codes

Origin Energy (Origin) welcomes this opportunity to respond to the Queensland Competition Authority's (QCA) draft decision on the proposed amendment to customer notification and consent provisions in the Electricity and Gas Industry Codes.

On 17 October 2013, the Minister for Energy and Water Supply submitted a request to amend the Electricity Code so that:

- retailers are required to remind customers that their fixed-term benefits are going to expire before they do ("customer notification"); and
- retailers are required to obtain explicit informed consent from customers for any benefits that apply for a fixed period.

The Draft Decision has stated that the QCA will not proceed with the proposed amendment that retailers obtain explicit informed consent to apply a new benefit once fixed-term benefits expire. Origin supports the QCA's decision on this matter because explicit informed consent is already obtained prior to entering a contact with fixed-term benefits and there is no need to regulate in this area.

With respect to the draft decision on customer notification, Origin maintains that the current regulatory requirements, and company practices, already ensure that customers receive an adequate amount of notification about the expiration of their fixed-term benefits.

Origin affirms the importance of customer's being adequately informed about any fixed-term benefits that apply to their contract and appropriately notified prior to their expiration. As noted in our initial response to the proposed amendments, Origin already communicates a number of times with customers about fixed term benefits they are receiving under their contract. This includes notifying customers at the time they sign up to the contract, during the period of the contract, and immediately prior to the expiration of fixed-term benefits. Throughout the period of the fixed-term benefits consumers are quoted their "non-discount" price on their bills in the event they do not comply with the terms of the contract that allow them to receive the benefit. Accordingly, there would not appear to be a market failure that would justify an amendment to the Electricity Code to ensure that customers receive any additional information.

Furthermore, Origin is concerned by the apparent inconsistency that the draft decision creates with the NECF. As the QCA notes, there will be Queensland-specific derogations from the NECF, but at this stage there is no certainty as to whether they will include any changes to customer notification.

The QCA also contemplates whether the Queensland Government should pursue amendments to the National Energy Retail Rules to ensure that when the NECF is implemented it is consistent with this amendment to the Electricity Code. In the event the draft decision is codified then Origin would appreciate certainty, as soon as possible, with respect to whether a state-specific derogation from the NECF will be sought by the Queensland Government.

The Draft Decision also seeks to extend the application of customer notification rules to the Gas Code. Origin does not agree with the draft decision to amend either the Gas or Electricity Codes to apply to customer notification. However it does accept that, as a matter of principle, if the Electricity Code is amended in this manner then the Gas Code ought to reflect these changes as a matter of consistency.

If there are any matters raised within this response that the QCA would like to discuss further with Origin, please contact Timothy Wilson (Retail Regulatory Analyst) in the first instance on (03) 8665 7155.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'K. Robertson'.

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