

QLD COMPETITION AUTHORITY

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Dr Malcolm Roberts
Chairman
Queensland Competition Authority
GPO Box 2257
Brisbane Qld 4001

Dear Dr Roberts

**Draft Decision: Requested Amendments to the Electricity Industry Code
Customer Disconnection Provisions**

Energex welcomes the opportunity to provide comment on the Queensland Competition Authority's (QCA) draft decision on the proposed amendments to the Electricity Industry Code's (EIC) disconnection provisions. As you are aware, Energex initiated these amendments to formalise the use of a main switch seal (MSS) as a valid method of completing a disconnection service order request in limited circumstances only.

Energex supports the QCA's draft decision, given that MSS disconnections are the best practical solution for disconnecting individual customers in multi-occupancy dwellings that do not have individual fusible links. Energex also accepts the QCA's position that there are already adequate provisions regarding non-disconnection for safety reasons in the existing B2B procedures. However, Energex maintains that compensation for unbilled energy consumption should cease, providing best endeavours are employed to perform disconnection service orders as requested. The requirement to compensate for performing MSS disconnections will differentiate between disconnection sub-types despite a MSS being a valid response.

While compensation costs will be negligible, it is appropriate that the risks and costs of unbilled energy consumption should be borne by retailers who, can choose to absorb or pass on these costs onto their customers. Customers, in turn, can choose an alternative retailer should they not wish to bear these costs. Energex acknowledges that the extent to which retailers' absorb or pass on such costs may depend of the level of retailer competition and/or retailers' objectives. However, under the QCA's proposed \$4 flat fee payable by distributors this cost will be passed through to all customers. This removes customers' ability to exercise choice in whether they meet these costs noting that there are almost no benefits for customers in disconnecting premises.

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It should be noted that regardless of whether compensation to retailers is paid, network charges would continue to apply from the time a MSS disconnection is performed until Energex considers that a new customer has taken responsibility for the premises.

As articulated in the EIC change proposal, the existing infrastructure limitations are not of Energex's making and will only be resolved when customers' infrastructure at multi-occupancy dwellings are brought into line with the requirements of the Queensland Electricity Connection and Metering Manual (QECMM). Energex wishes to highlight that it is not the role or responsibility of distributors to install fusible links. Under the QECMM fusible links are to be paid for and owned by customers in the same way that switchboards are paid for, owned and maintained by customers.

To reiterate, Energex is largely supportive of the QCA's draft decision and believes that it will provide certainty around the legitimate use of MSS disconnections in limited circumstances. Please contact Ms Leigh Henderson, Network Regulatory Economist, on (07) 3664 4118 if you require any further information.

Yours sincerely

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Kevin Kehl
Executive General Manager
Customer and Corporate Relations