



Requested Amendments to the Electricity Industry Code
Customer Disconnection Provisions
Queensland Competition Authority
GPO Box 2257
Brisbane Qld 4001
SENT BY EMAIL

Dear Mr Sir/Madam

Re: Requested Amendments to the Electricity Industry Code

Customer Disconnection Provisions

Draft Determination

This is QEnergy Limited's (QEnergy's) response to the Queensland Competition Authority's (Authority) Draft report – Requested Amendments to the Electricity Industry Code Customer Disconnection Provisions. QEnergy is grateful for the opportunity to respond to this Paper.

QEnergy is an established national electricity retailer with customers in Queensland, South Australia, New South Wales and the Northern Territory, specialising in providing retail electricity to small businesses.

The use of Main Switch Seal (MSS) disconnections in Queensland is an ongoing issue which will not be resolved by the Energex proposal. QEnergy does not agree that the proposed changes will move the industry to a satisfactory balance, if anything it will further tip the balance further in favour of Queensland distribution businesses. The existing Code provisions while not entirely satisfactory for any party, at least provide some incentive on the distribution businesses to seek to rectify the key issues which at its roots are:

- Failure to adequately compensate Energex for the cost of disconnection. (A decision made by the Queensland Government in capping the pass through cost); and
- Wide spread lack of isolation links in switch boards.

As noted by the Authority, the Department of Energy and Water Supply (DEWS) has released a discussion paper on the Move in Move Out process which will deal with compensation for the distribution businesses for disconnection costs. By capping retailer compensation at \$4 per customer, the incentive on the Queensland distribution businesses to seek to reduce the incidence of MSS through a roll out of isolation switches through customer engagement (like a shared costs agreement for example) or installation of smart meters is reduced. Further, this compensation is not adequate for business customers or larger domestic users. The current process while not perfect, is better than the proposed approach of selecting an arbitrary number based on a previous year's compensation

payments. QEnergy therefore does not support the proposed amendments to the Electricity Code.

Should you have any questions or comments on this submission or any other matters please feel free to contact me on (07) 3339 9526

Yours sincerely

Gareth Morrah

Product Manager