

29 April 2013

Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001
By email: electricity@gca.org.au

Dear Sir/Madam,

RE: Requested Amendments to the Electricity Industry Code Customer Disconnection Provisions Consultation Paper

The Energy Retailers Association of Australia (ERAA) welcomes the opportunity to provide input to the *Requested Amendments to the Electricity Industry Code Customer Disconnection Provisions Consultation Paper* (the Consultation Paper). The ERAA thanks the Queensland Competition Authority (QCA) for the extension granted for this submission.

The ERAA represents the organisations providing electricity and gas to almost 10 million Australian households and businesses. Our member organisations are mostly privately owned, vary in size and operate in all areas within the national electricity market (NEM) and are the first point of contact for end use customers of both electricity and gas.

In August last year the ERAA submitted to the Customer move-in move-out (MIMO) process for residential premises in Queensland Discussion Paper (**Attachment 1**). In this submission the ERAA outlined the following key points:

- Meter Switch Seal (MSS) disconnections can lead to unauthorised electricity usage, resulting in costs relating to bad debt.
- the existing MSS process whereby a sticker is placed across the seal which warns of imprisonment or a fine for unlawfully reconnecting supply has not been sufficiently enforced.
- if retailers request a 'fuse removal', then it is inappropriate for Energex to advise that the request has been completed if a MSS disconnection has been completed.
- the co-ordination agreement compensation payments did not accurately reflect the actual financial costs for unbilled energy consumption, and were only a temporary solution.

The ERAA does not support the amendments to the Electricity Industry Code requested by Energex. A formalisation of the MSS option would introduce a risk that current unauthorised electricity usage relating to MSS will continue, meaning retailers will continue to pay higher related costs for unbilled energy consumption. Retailers have no oversight over the MSS process, and cannot be certain that MSS will only be used as a last resort. Energex's proposal to end the co-ordinated agreement compensation payments may also reduce incentives to pursue a 'fuse removal', and transfer risk and associated cost to retailers without sufficient justification.

To address issues related to multi-occupancy dwellings, the ERAA would support the use of a Metering Isolation Link as an alternate method of addressing issues relating to multiple premises. Whilst this would result in a one-off disconnection of all premises, it would enable all future move-in/move-outs to be undertaken without disturbance of other premises.

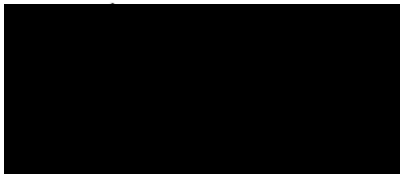


The ERAA is also concerned about the potential safety implications of the requested amendments. It is our understanding that safety is already an acceptable reason not to complete a Service Order. Allowing for a Service Order to be completed with a MSS disconnection could result in potentially unsafe installations not being reported to the market. In these instances there would be no record of the safety defect which has prevented the fuse removal.

Whilst the ERAA does not support the requested amendments, we would recommend a review of the new arrangements within 18 months should they be introduced.

Should you wish to discuss the details of this submission, please contact me on (02) 8241 1800 and I will be happy to facilitate such discussions with my member companies.

Yours sincerely,



Cameron O'Reilly
CEO
Energy Retailers Association of Australia