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5 July 2019

Dear Anne

We refer to the Public Utilities Office's (**PUO**) email dated 29 May 2019 and thank you for the opportunity to respond on the Review of Energy Customer Contract Regulations - Draft Recommendations Report (**Report**).

AGL Energy (**AGL**) has reviewed the draft recommendations of the Report and offers the following comments acknowledging that the proposed changes to the Gas Regulations and Compendium may require further review and feedback by AGL of any proposed drafting through usual consultation channel processes.

As AGL only holds a gas trading licence in WA, the following comments relate to the Report's draft recommendations to Gas Regulations and associated instruments:

#### **Fixing inconsistencies in terminology**

##### **Draft Recommendation 1**

AGL supports and agrees with the proposed change to amend the term '*retail supplier*' within the Gas Regulations to '*retailer*' to improve consistency with the Gas Marketing Code and Compendium.

##### **Draft Recommendation 2**

AGL supports and agrees with the draft recommendation to change the definition of 'Code of Conduct' within the Gas Regulations to refer to the most up-to date version of this Code as proposed in the Report.

#### **Removing references to the AGA Code and associated changes**

As a general comment, AGL supports the deletion of all references to the AGA Code from the Gas Regulations, including the definition of AGA Code. AGL agrees that the AGA Code is outdated and no longer current, and it is confusing as to its application. Further, as highlighted in the Report, similar AGA Code provisions are also addressed in the Compendium causing duplication in obligations.



### **Draft recommendation 3 - customer disconnection and reconnection**

AGL supports and agrees with deleting references to sub-regulations 12(6) and (7) of the Gas Regulations, which refer to the AGA Code relating to disconnection and reconnection, which are largely duplicated in the Compendium.

### **Draft recommendation 4 – disconnection for health and safety, and planned maintenance**

AGL supports the draft recommendation for the PUO to request the ERA to include the changes set out in this recommendation to gas distribution licences. AGL agrees that inserting these requirements into gas distribution licences is the appropriate framework for these obligations.

### **Draft recommendation 5 and 6 – security deposits**

AGL notes the comment in the Report that security deposits are not typically required from customers in the WA gas market. Further, AGL refers to the ERA's Annual Performance Report – Energy Retailers 2017/18, which sets out that no electricity or gas retailers required any residential customers to provide security deposits in 2017/18, and only a very small number of business customers were required to do so by two retailers (page 17). At this point in time, it appears that regulatory provision for security deposits is not a necessity, however, AGL notes retailer submissions supporting better clarity in this area and regulatory consistency between fuels.

AGL supports and agrees with the deletion of s13 (1) and (2) of the Gas Regulations which refers to the AGA Code, and updating s37 relating to refundable advances in the Gas Regulations. If it is considered necessary to update the provisions relating to security deposits beyond these changes and for similar changes to be made to the Electricity Regulations, AGL supports inserting equivalent provisions set out in rules 39 to 45 and 112 of the National Energy Retail Rules Version 17 (**NRR**) into the Compendium, and amending the Gas Regulations as set out in Draft Recommendation 6. AGL looks forward to reviewing further drafting.

### **Draft recommendation 7 – notice of tariffs and tariff variation**

AGL supports and agrees with deleting s14(3) and (4) of the Gas Regulations which refers to the AGA Code and, subject to reviewing any proposed drafting, the provisions being replaced with a requirement that a customer contract must describe how the retailer will publish its tariffs and how it will give notice of any variations to those tariffs.

### **Draft Recommendation 8 – notification of benefit change**

AGL queries how this change will be implemented noting that rule 48A of the NRR also references relevant guidelines. If this change is deemed necessary, AGL supports alignment with rule 48A of the NRR but looks forward to reviewing further drafting.

### **Draft Recommendation 9 - billing**

AGL supports and agrees with deleting s15 of the Gas Regulations and replacing it with an equivalent requirement to s14 of the Electricity Regulations.



#### **Draft Recommendation 10 – payment difficulties**

AGL supports and agrees with deleting s20(2) of the Gas Regulations and assumes that this amendment includes deleting note 1 to this section which refers to the AGA Code. AGL queries whether this provision will continue to apply to all contracts under the Gas Regulations or will be amended to align with s31 of the Electricity Regulations and only apply to standard form contracts.

#### **Draft Recommendation 11 – dispute resolution**

AGL supports and agrees with deleting s21 of the Gas Regulations and replacing this with a similar provision to s18 of the Electricity Regulations.

#### **Draft Recommendation 12 – supply of gas**

AGL supports and agrees with deleting s28(2) of the Gas Regulations.

#### **Draft Recommendation 13 – new connections**

AGL supports the PUO requesting the ERA to consider the requirements listed in draft recommendation 13 be included as an obligation on distributors in gas distribution licences, noting that a time period within which a distributor must make supply available should be required.

#### **Draft Recommendation 14 – access to supply address**

AGL supports and agrees with deleting s33(3) of the Gas Regulations.

#### **Draft Recommendation 15 – customer leaving supply address**

AGL supports and agrees with deleting s35(2) of the Gas Regulations.

#### **Removing overlap with the Australian Consumer Law and other areas**

#### **Draft Recommendation 16 – cooling off periods: unsolicited contracts**

AGL supports and agrees with deleting s27 of the Gas Regulations as consumer protections for unsolicited contracts are governed by the Australian Consumer Law.

#### **Draft Recommendation 17 – cooling off periods: non-standard contracts**

AGL supports and agrees with amending s40(2) to refer to a cooling off period of 10 business days, aligning this to the unsolicited contract provision of the ACL as discussed in Draft Recommendation 15. This also aligns this requirement to rule 47 of the NRR which provides a small customer with a right of withdrawal from a market contract within 10 business days but sets out that this period runs from the date the customer receives the required information under rule 64 of the NRR, not from when the contract is entered into.

#### **Draft Recommendation 18 – amending contracts**

AGL does not support this draft recommendation and proposes that s17 of the Gas Regulations currently provides adequate safeguards for customers entering into market contracts. This draft recommendation may result in administrative burden for retailers and could be difficult to comply with. Further, the draft recommendation does not contemplate variations to a contract for matters such as, administrative or typographical changes; if the variation makes the terms of the market contract more favourable to the customer; and, whether this change impacts the ability to vary any fees, rates or charges payable under the market contract over its term.



**Other amendments**

**Draft Recommendation 19 – components of the gas supply charge**

AGL supports this amendment to s14(2)(c) of the Gas Regulations and agrees with aligning this section with rule 20(1)(b)(iv) of the NRR to allow the development and promotion of alternative retail products to be offered to customers.

**Draft Recommendation 20 – customer charter**

AGL supports and agrees with deleting s19(a) and s45 from the Gas Regulations which is an outdated reference to a retailer's customer charter.

**Draft Recommendation 23 – confidential information**

AGL supports the proposed amendment to s22 of the Gas Regulations and looks forward to reviewing further drafting on this proposed change.

If you would like to discuss our comments further, please contact Sarah Silbert, Senior Network Relationship and Regulation Advisor, on [SSilbert@agl.com.au](mailto:SSilbert@agl.com.au) or 0400813300.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Rebecca Brigham', is written over a light blue horizontal line.

Rebecca Brigham  
Manager, Customer Markets Regulatory and Compliance