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Public Utilities Office
Department of Treasury
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Review of Energy Customer Contract Regulations – Draft Recommendations Report

Alinta Sales Pty Ltd (**Alinta Energy**) is pleased to provide comment on the *Review of Energy Customer Contract Regulations Draft Recommendations Report (Report)* prepared by the Public Utilities Office (**PUO**) as part of its review of energy customer contract provisions within the *Energy Coordination (Customer Contracts) Regulations 2004 (Gas Regulations)* and the *Electricity Industry (Customer Contracts) Regulations 2005 (Electricity Regulations)*.

Alinta Energy notes the purpose of the review is to provide a streamlined and consistent framework for delivering customer protections by removing outdated references and duplication with other regulatory instruments.

Alinta Energy agrees with most of the draft recommendations in the Report and will limit its comments to a few specific matters below.

Draft Recommendation 8: Expiry of offers and benefits

Draft Recommendation 8: Include a requirement in the Gas Regulations and Electricity Regulations, similar to Rule 48A of the National Energy Retail Rules, whereby retailers are to notify customers, in writing, no earlier than 40 business days and no later than 20 business days before the end of benefits provided under the initial portion of an ongoing contract, that the benefits are due to expire and include detail of the options for supply that are available to the customer after the expiry of the benefit.

The Report notes the PUO is of the view that, where a gas or electricity customer contract provides a temporary benefit or incentive, such as a price discount on consumption charges for a set period, retailers should be required to notify customers in writing prior to the expiry of the benefits.

The PUO notes Draft Recommendation 8 is consistent with a recent change to the National Energy Retail Rules (**Retail Rules**), where rules 48A and 48B were introduced to address a concern where customers on special offers were often unaware of the expiry of their benefit period.

Alinta Energy agrees that customers should have access to information that is clear and easy to understand, including when any benefits under a contract are about to come to an end. Timely communication also encourages customers to actively engage in the market so they can seek product offers that best meet their individual circumstances.

Rule 48A of the Retail Rules requires the benefit change notice must include the information in sub-rule 48A(3) along with other information that the Australian Energy Regulator (**AER**) specifies in its benefit change notice guidelines. Alinta Energy considers the retail gas market in Western Australia is far less complex than in the AER's jurisdictions; the information to be incorporated in the benefit change notice should not be excessively prescriptive and could, along with the definition of a benefit change, be included in the *Compendium of Gas Customer Licence Obligations* administered by the Economic Regulation Authority (**ERA**).

Alinta Energy also considers that retailers are best placed to decide how the benefit change notice should be delivered to their customers, noting that different options may be appropriate for an increasingly diverse range of customers.

Introducing an obligation on retailers to issue benefit change notices to customers may require modifications to billing systems and other internal processes and therefore sufficient time should be allowed to make changes as required.

Draft Recommendation 21: Obligation to offer supply of electricity under a standard form contract

Draft Recommendation 21: Extend the requirement in regulation 40 of the Electricity Regulations to supply electricity under a standard form contract to a customer who requests supply from retailers other than Synergy and Horizon Power.

- For existing connections, the obligation would fall on the default supplier identified under regulation 36 of the Electricity Regulations.
- For new connections, the obligation would continue to fall on Synergy for areas within the South West Interconnected System and on Horizon Power for other areas of the State.

Alinta Energy acknowledges the submission by Synergy that the current obligation on Synergy and Horizon Power to offer supply of electricity under a standard form contract following a customer request for supply should apply equally to all retailers.

Alinta Energy considers this obligation should apply to contestable small use customers only.

Prior to any proposed introduction of this draft recommendation, retailers should be given sufficient time to review and amend their standard form contract and seek the required approval from the ERA.

Draft Recommendation 22: Limitation on obligation to offer supply of electricity under a standard form contract

Draft Recommendation 22: Amend regulation 40 of the Electricity Regulations to permit a retailer to require a customer to provide acceptable identification as a pre-condition of forming a standard form contract with the retailer.

Alinta Energy agrees with the proposed recommendation which will permit an electricity retailer to require a customer to provide acceptable identification as a pre-condition to forming a standard form contract with that customer.

Alinta Energy considers the Gas Regulations should be similarly amended so that a gas retailer can make the same request of a gas customer. Aligning the Electricity Regulations and Gas Regulations will ensure consistency across the energy market for both retailers and customers.

The Retail Rules define *acceptable identification* in relation to a residential customer as including¹:

1. A driver's licence, current passport or another form of photographic identification;
2. A pensioner concession card or other entitlement card;
3. A birth certificate.

Alinta Energy considers this definition should be extended to include *any other form acceptable to the retailer* as there may be some circumstances where a customer is not in a position to provide any of the identification stated in 1 – 3 but where the retailer is happy to accept another form of proof of identity.

If you have any questions concerning this submission, please contact me on 9486 3191 or catherine.rousch@alintaenergy.com.au.

Yours sincerely



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¹ Rule 3 Definitions