



28 June 2019

Ms Anne Braithwaite
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Dear Ms Braithwaite

Review of Energy Customer Contract Regulations – Draft Report

Origin Energy (Origin) appreciates the opportunity to comment on the Public Utilities Office Draft Recommendations Report on the Review of *Energy Customer Contract Regulations*.

Origin supports the Public Utilities Office Draft Report which removes redundant requirements, ensures consistency in terminology and thus reduce ambiguities in the application of the legislation. In particular, Origin supports the Office's draft recommendations to remove all references to the *Australian Gas Association Natural Gas Customer Service Code 755-1998* (the AGA Code). As noted in our previous submission, the AGA Code requirements are outdated and conflict with requirements contained within the Gas Regulations and the Compendium of Gas Customer Licence Obligations (Compendium).

While Origin provides in principle support for the Draft Report, we provide specific comments on Recommendation 21.

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

Section 40(1) of the Electricity Regulations places an obligation on Synergy and Horizon Power to offer supply of electricity under a standard form contract following a small customer request for supply. This obligation extends to both new connections and existing connections.

The Public Utilities Office notes that the obligation to supply is an important protection for small use customers and should be retained. Thus, the following recommendations have been made:

- For existing connections, the obligation would fall on the default supplier (ie existing supplier for the connection point); and
- For new connections, the obligation would continue with Synergy and Horizon Power for their respective supply areas.

Origin has concerns with the proposal to broaden the obligation to offer a standard form contract to all retailers for small customers for existing connections. This is because, in Western Australia, the electricity supply arrangements are:

- Small electricity customers are defined as those that consume less than 160MWh per annum; but
- Contestability is limited to small customers consumer greater than 50MWh per annum.

This means that some "small customers" have the choice to enter into a market contract and other small customers can only obtain supply under a standard contract under a regulated price.

Origin believes that any amendments to the legislation needs to clearly set out that the extension of the obligation of supply to other retailers is limited to small customers whose connection points are greater than 50MWh per annum. This is to ensure Synergy and Horizon Energy's obligation to supply existing

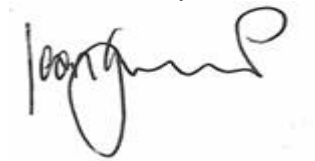
connection points continues for those small customers who have no choice of retailer.

The Office should also consider the situation where a contestable connection point consuming greater than 50MWh per annum is reclassified by the distribution business as consuming less than the 50MWh per annum and therefore becomes a small standard customer. Origin submits, that in this situation, the obligation to supply should revert to the area retailer (ie Synergy or Horizon Energy) for that connection point and the regulated price and terms and conditions should apply.

Closing

Should you have any questions or wish to discuss this submission further, please contact Caroline Brumby on (07) 3867 0863.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sean Greenup', written over a light grey rectangular background.

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