

Evoenergy submission on the Consumer Protection Code Review – ICRC Issues Paper

25th January 2019

	Question
1.	<p>Do you have any comments on the interaction of the Code with the national electricity customer framework?</p> <p>The code contains many provisions that are designed for regulation of the water utility. Some provisions are only for water. Where the Code is currently specific to a water utility and may be expanded to include electricity and / or gas, the Code should have no need to duplicate obligations found in other law/frameworks.</p>
2.	<p>Should the Code continue to apply to NERL retailers? Please indicate the reasons for your views.</p> <p>Yes.</p> <p>The Australian Energy Market Commission (AEMC) undertook a national review. The Power of Choice review recommended various changes including the transferring of responsibility for electricity metering from Distribution Network Service Providers (<i>electricity distributors</i>) to Energy Retailers. Those changes took effect 01/12/17. Work historically performed by the distributor; for example, instigation of supply interruptions, obligations such as notification of planned outages, complaint management and connection timeframes are all now relevant to retailers.</p>
3.	<p>Are there any specific areas of the Code that should be amended in relation to NERL retailers? Where possible, please indicate what benefit would be provided by such changes?</p> <p>Consideration needs to be given to the dictionary and use of terms</p>

	<p>For example, the current Code, S19 regarding interruptions to supply and Schedule 1 items 4 and 5, relating to planned and unplanned interruption specifically reference a distributor or utility. The Power of Choice framework now enables a NERL retailer to also be responsible for a planned or unplanned interruption.</p> <p>The code uses “obliged provider” “utility” “NERL retailer” “distributor”. There are too many terms used and the use of “water distributor” along with gas distributor and electricity distributor might be more useful.</p> <p>Another consideration should be whether to align the terminology in the code with the terminology used nationally by the Australian Energy Regulator (AER) and all electricity and gas distributors; i.e. that they are described as Distribution Network Service Providers (DNSP).</p> <p>All terms and responsible parties should be updated throughout the Code to reflect these changes.</p>
4.	<p>Are the rebate values for failure to meet the minimum service standards outlined in schedule 1 of the Code still appropriate?</p> <p>Our experience with customers provides no compelling reason for change to the existing arrangements and that our customers have been satisfied with the value of the rebates. Evoenergy supports the continuation of the existing rebate values.</p> <p>Should the ICRC consider changing rebate values, Evoenergy would like the opportunity to respond to any proposed changes.</p>
5.	<p>What is an appropriate methodology to review rebate values? What factors should be considered?</p> <p>Evoenergy believes that the existing value of the rebates are appropriate. Any change to the value of rebates may become relevant to future tariff settings.</p>
6.	<p>The Code currently outlines the same minimum service standards and rebate values for all utility services (e.g. connection times, maximum interruption duration). Should the minimum service standards and rebates be the same for electricity, gas and water services?</p> <p>Evoenergy supports the consistency of service standards and rebates across all utilities (including distributors and retailers). This facilitates consumers understanding of the rebate program.</p>

7. Are the current minimum service standards appropriate for the ACT? Please indicate where standards may not be appropriate and how they could be improved.

The minimum service standards reflect concerns raised by consumers with the exception of the proposed reliability standard specific to interruption frequency and duration.

Noting the ACT's high electricity reliability in comparison to the NEM and existing AER service targets in relation to reliability, Evoenergy believes that no reliability targets should be specified in the Code. This is because the targets are already specified in the ACT Supply Standards Code. Furthermore, the AER measures reliability targets under the STPIS.

The ICRC also require reliability data to be reported annually for the purposes of supplying that data to the AER. Given that the data is provided annually to the AER by DNSP's, it is a duplication to require the data locally.

Reliability standards should be reviewed in the context of varying requirement levels from differing regulatory authorities, i.e. ICRC, AER and the ACT Technical Regulator.

ACT Supply Standards Code (Technical Regulation)

SUPPLY RELIABILITY TARGETS		
Parameter	Target	Units
Outage time (CAIDI)	74.6	Minutes
Outage frequency (SAIFI)	1.2	Number
Outage duration (SAIDI)	91.0	Minutes

8. How can customers be made adequately aware of the Code and minimum service standards? How often and who should be responsible for making customers aware and what are the appropriate channels (e.g. website, letter, media)?

Evoenergy notes information about the Code and the minimum service standards is available for our customers in the Electricity Customer Charter on the Evoenergy website. It is updated as required from time to time.

9.	<p>Should utilities be required to automatically make a payment directly to the account-holder (i.e. via the retailer) when they fail to meet a standard, rather than a customer having to be aware of and apply for a rebate?</p> <p>Evoenergy does not support automatic payment of rebates to account holders. Evoenergy notes this approach is problematic and raises the following concerns:</p> <ul style="list-style-type: none"> • The account holder is not always the individual impacted by a failure to meet standards; i.e. a complainant may not be the account holder. Auto-payment to an account holder would penalise impacted consumers and non-customers. • If a distributor were to make automated payment via a retailer, how would confirmation of a payment to the customer be made? • How would the customer be made aware of the reason for the payment? • Would distributors be expected to compensate retailers for administering these payments? • If a customer claimed they did not receive their payment, which entity would they contact?
10.	<p>Should the ACT include additional reliability measures into the minimum service standards, similar to those in other jurisdictions? Please suggest any appropriate measures you consider should be included and the benefits of including such measures.</p> <p>No, there is no need to introduce additional reliability measures. As noted in question 7, there are a range of regulators already monitoring reliability in the ACT. The current measures adequately address customer concerns. Any new measures would impose additional costs arising from data collection and reporting.</p>
11.	<p>Are stakeholders receiving adequate information from ACT utility service providers regarding processes, timelines, costs and dispute mechanisms? Please provide comments on the quality of information and communication practices from ACT utility service providers.</p> <p>The Electricity Customer Charter on Evoenergy's website addresses customer rights including complaints and dispute resolution procedures. The website also provides a number of key processes. Evoenergy concurs there are opportunities for improved communication with our customers. Evoenergy communicates changes and issues regularly through its consumer engagement processes which are currently being strengthened.</p>

	Evoenergy further notes changes aligned to Power of Choice mean it is not only distributors responsible for communication of these matters. The Code should bring consistency of obligations between distributors and retailers (obliged providers).
12.	Should the Code require water utilities to have a hardship policy, and if so what elements should it cover? No comment.
13.	For consistency across utility retail services, should the undercharging provisions in the Code be reduced to nine months? No comment.
14.	Are bill smoothing provisions required in the Code, including to cover water services? Please provide reasons for your answer. No comment.
15.	Do stakeholders have any specific concerns regarding the current provisions within the Code that relate to the application of concessions? No comment.
16.	Are there adequate existing mechanisms for customers to request inspection of utility assets on their property? If not, should asset inspection be covered in the Code and what limitations should be placed on the right (e.g. such as number of inspections over a set timeframe, applying to certain types of assets only)? Yes, Evoenergy currently provides customers with rights to request inspection of assets due to safety concerns. Evoenergy responds to all concerns raised by customers. Evoenergy undertakes an annual maintenance and inspection program based on asset life cycles, taking into account performance expectations and other risk factors. Placing additional inspection requirements based only on location of an asset on customer's property and not on known risk factors would impact existing inspection cycles and require additional funding to implement. Evoenergy further notes some pole inspection activities reduce the lifespan of the asset further increasing costs where assets may need premature replacement due to unnecessary testing.

	<p>There is a risk that a small minority of property owners dissatisfied with electrical assets on their property may utilise any inclusion in the Code as an opportunity to promote removal of the asset through unnecessary inspections.</p> <p>The ICRC is encouraged to consider that since the implementation of Power of Choice, retailers are responsible for electricity meters, not distributors.</p>
17.	<p>What type of considerations are relevant to deciding whether there would be a benefit in amending the Code to allow owners' corporations to request water utilities to directly charge usage to unit title owners (similar to the South Australian provisions)?</p> <p>No comment.</p>