

28th October 2009

Mr Paul Kelly
ECCC Chairman
C/O Level 6, 197 St Georges Terrace
PERTH WA 6000

Dear Mr Kelly

**RE: PROPOSED AMENDMENTS TO THE CODE OF CONDUCT (FOR
THE SUPPLY OF ELECTRICITY TO SMALL USE CUSTOMERS) IN
RESPONSE TO ECCC CODE REVIEW 2009**

WACOSS welcomes the opportunity to respond to Economic Regulation Authority's (ERA) Paper: *Decision regarding Electricity Code Consultative Committee (ECCC) Final Review Report 2009*.

Following consideration of the Electricity Code Consultative Committee's (ECCC) Final Review Report, the ERA has accepted 49 of the 50 recommendations and provided additional proposed amendments to part 14 of the Code regarding wrongful disconnection.

Part 14 of the Code relates to Service Standard Payments and Part 14.2 relates specifically to wrongful disconnection. At present, this provision states that:

*"Subject to clause 14.5, if a retailer fails to follow any of the required procedures prescribed under Part 6 (if applicable) and Part 7 of the Code prior to disconnecting an customer for failure to pay a bill, the retailer must pay the customer \$50 for each day that the customer was wrongfully disconnected, up to a maximum of \$250."*¹

In its Final Review report to the ERA, the ECCC recommended that there be an increase to the service standard payment for wrongful disconnection, with the daily amount increasing from \$50 to \$60 and the maximum payment from \$250 to \$300.²

In responding to the ECCC's final report the ERA have proposed additional amendments to this part of the Code, as documented under decision 6.

*"In relation to the issue of wrongful disconnection, the Authority proposed amendments to clause 14.2 of the Code that will raise the daily service standard payment to \$100 and remove the cap on payment. In addition, amendments are proposed to clause 14.5, which will require the payment to be made automatically by the retailer when wrongful disconnection occurs."*³

¹ Code of Conduct for the Supply of Electricity to Small Use Customers 2008

² Ibid.

³ ERA. Decision regarding Electricity Code Consultative Committee (ECCC) Final Review Report. 2009.



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WACOSS strongly supports this proposed amendment and commends the ERA for making this proposal. WACOSS agrees with the argument made by the ERA in its Decision Paper that *wrongful disconnection is a very serious failure of the contractual and legal relationship between the retailer and/or distributor and the customer.*⁴

As expressed in WACOSS's submission to the ECCC, WACOSS is of the view that service standard payments for wrongful disconnection should be \$250 per day for each day of the wrongful disconnection, as is the case in Victorian legislation. This is due to the serious negative consequences experienced by customers who have been disconnected.

WACOSS is of the view that all Australian electricity consumers should be treated equitably, and that there is a need for national consistency in electricity legislation to enhance consumer protection in this area. As discussed in the ERA's Decision Paper, there are serious health, safety and welfare considerations for customers who have been wrongfully disconnected, and as such they should be appropriately compensated.

WACOSS views the ERA's proposed amendment to part 14 of the Code as being a positive step towards greater consumer protection. It will provide greater compensation for customers who have been wrongfully disconnected, and will act as an incentive to retailers and/or distributors to ensure that wrongful disconnection does not occur and that if it does occur that the issue is responded to immediately.

WACOSS would like to thank the ERA for the opportunity to provide comment on this proposed amendment and its commitment to ensuring consumers of electricity are protected under the Code.

Yours Sincerely



Sue Ash
Chief Executive Officer

⁴ Ibid.