

Mr Alistair Butcher
A/Director – Electricity Access
Economic Regulation Authority
Level 6 Governor Stirling Tower
197 St Georges Terrace
Perth WA 6000

2 November 2005

Dear Mr Butcher,

WACOSS Submission to ERA on the Western Power Proposed Communications Rules for the Electricity Industry Customer Transfer Code.

The Western Australian Council of Social Service (WACOSS) is pleased to provide a submission to the Economic Regulation Authority (ERA) on the Western Power Proposed Communications Rules for the Electricity Industry Customer Transfer Code (the Code).

We understand that Western Power's Proposed Communication Rules, as the Western Australia's main network operator, will become the standard Communication Rules affecting Western Australian contestable customers.

The intention of WACOSS in making this submission is to outline those aspects of the Communication Rules that are particularly important to electricity consumers. Furthermore, this submission recommends a more explicit relationship between the Communication Rules and the Code.

Customer Transfer Code

The Customer Transfer Code is a key piece of regulatory protection for contestable customers in the electricity market. The objectives of the Code are to:

- (b) "protect the interests of contestable customers by ensuring that a contestable customer's verifiable consent is obtained before –
 - i) a retailer may request the contestable customers' historical consumption data; or

- ii) a transfer of that contestable customer may proceed;
- and
- (c) specify the responsibilities and obligations of retailers and network operators in processing and implementing the transfer of a contestable customer.”¹

It is important to note that the Code requires *retailers* and *network operators* to be mindful of those objectives, throughout the Code even when they are not expressly referred to.²

According to the Code, therefore, it is important that the Communication Rules, adequately protect consumer interests.

Communication Rules

Part 5 of the Code defines the Communication Rules as “rules governing the format and protocols through which the communication of information and data between the *network operators* and a *retailer* required by this Code is to occur.”³

The Western Power proposed Communication Rules explain the methods and processes by which the *network operator* (Western Power) will communicate with *retailers* in the electricity market. The Communication Rules provide a lot of detail about the technical specifications for how communications will take place. WACOSS understands that there is general support for the technical communication processes proposed.

WACOSS suggests that it is important to articulate the way the technical aspects of the Communication Rules protect the interests of consumers. It would be useful if the Communication Rules related the methods and processes by which network operators and retailers communicate to consumer protection.

We would like the Communication Rules to explain the protocols or practices that are being implemented to ensure that consumers’ privacy and consent are protected when information is being exchanged. We would also like to see that the safety and security of the transport of information, in particular *customer standing data* been assured, either through technological or other means, referred to in the Communication Rules.

¹ Electricity Industry Customer Transfer Code 2004, Electricity Industry Act 2004, Western Australian Government Gazette No. 233: Perth, 2004. (hereafter Customer Transfer Code) Part 2 Section 2.1

² Customer Transfer Code, Part 2 Section 2.1 (2)

³ Customer Transfer Code, Part 5 Section 5.1 (1)

For example, the proposed Communication Rules *Annex 4 – Customer Transfer Request*, describes the sequence of events required to transfer a customer, but does not stipulate the process for how to check that a customer's consent to be transferred has been verified.

In addition, while the Communications Rules may comply with the Code, the proposed form of the Communication Rules, do not refer to the Code or to the intention of network operators and retailers to comply with the Code.

WACOSS recommends that it is in the interests of consumers for the objectives of the Code to be included in the Communication Rules. We also suggest that it would be valuable for the network operators and retailers to include the principles by which they intend to communicate, within the rules. For example, that *network operators* and *retailers* will communicate with each according to principles of cooperation and respect, for each other, and their customers.

Conclusion

It is vital that the proposed Communications Rules uphold consumer rights to privacy, that the requirement for customers' verifiable consent be upheld, that network operators and retailers make all efforts possible to prevent errors and breaches of security or privacy of customer information when they are transferred. It is also important that they operate according to principles of cooperation and respect above and beyond complying with the Code.

To that extent WACOSS believes that the Communications Rules could be greatly improved if they included reference to the objectives of privacy, consent, security of information, cooperation and respect, within the Communication Rules.

WACOSS is pleased that the ERA is undergoing consultation on the development of the Communications Rules and would welcome an opportunity to discuss our comments, should you wish to do so.

For further information please contact our Senior Policy Officer, Ms Irina Cattalini on (08) 9420 7217.

Yours sincerely,

Lisa Baker
Executive Director