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Mr Alex Kroon  
Markets and Regulation Division  
Public Utilities Office  
Department of Finance  
Locked Bag 11  
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Dear Alex,

**Review of the Electricity Industry Metering Code 2012 – life support equipment provisions – further consultation report (report)**

Thank you for providing Synergy with the opportunity to comment on the proposed conditions that may be applied to the Exemption Order and Caravan Park Order (**Orders**). Synergy supports regulatory initiatives that are: evidence based; outcome focussed, provide regulatory certainty and removes regulatory burden. This includes taking an approach that is based on monitoring and continuously improving the effect of regulations or removing it when the cost exceeds the benefit.

**Background**

The Public Utilities Office (**Office**) report examines whether further life support conditions should be imposed on the Orders to protect consumers, who rely on life support equipment, in an on-selling arrangement<sup>1</sup>.

In addition, the report highlights that "...it is important to have safeguards to ensure persons who rely of life support equipment that are supplied electricity through on-selling arrangements receive suitable protection...". The report estimates there may be around 100 persons, in the SWIS, in this arrangement and therefore, it is important to consider how these safeguard can be provided in a cost effective manner. Synergy supports this approach in assessing what suitable conditions should apply to the Orders.

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<sup>1</sup> Third party life support consumers.

## **On-seller relationships important for cost effective safeguards**

In Synergy's view, it is important that life support equipment tenants (**tenants**) receive a level of protection commensurate to a life support customer supplied under the Code of Conduct for the Supply of Electricity to Small Use Customers 2016 (**Small Use Code**) by a licensed retailer – and that this outcome is achieved in a cost effective manner. In addition, Synergy considers the on-sellers relationship with its tenant will be important to practically achieving this outcome and they will play a valuable role in ensuring their tenants receive suitable protection.

A key way of achieving this is to make sure that certain roles, responsibilities and arrangements between the on-seller and retailer is clearly described and understood. This can be divided into two main areas and is discussed in more detail below.

1. Timely and prompt notifications
2. Accurate and complete records

## **Notifying retailers of residents with life support equipment**

Accurate and complete records are the first and very important part of the process to ensure there is suitable protection for tenants.

It is important that retailers are notified by their customer who on-sells electricity to their tenants so that retailers and distributors can make the necessary arrangements to register the site and ensure timely supply notifications are provided to their customer in accordance with Small Use Code requirements .

As outlined in the report the registration process will depend on the on-selling customer providing the required medical certification<sup>2</sup> to their retailer who will then notify the distributor. Unless this part of the process is done in a complete, efficient and timely manner there may be delays in retailers and distributors being correctly notified and timely registration of the site.

Therefore, the suitable conditions that should apply under the Orders need to ensure that this outcome will be efficient, timely and that retailers and distributors can rely on the accuracy and completeness of the information being provided. To that end the Orders need to be independently monitored and enforced

Conversely, it is also important that retailers and distributors are notified in a timely manner by their customers when the tenant vacates the site so that the records can be kept up to date and accurate. This is particularly important in order to ensure there are no duplicate or conflicting registration records that may cause delays. Especially, if the tenant applies for life support registration at a different site.

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<sup>2</sup> From an appropriately qualified medical practitioner, as required under the Small Use Code.

## **Process for obtaining re-certification records**

Accurate and complete records are a necessary pre-requisite to ensuring tenants receive effective and suitable protection where required.

Therefore, the process for re-certification is important to ensuring that records continue to be accurate and complete so that suitable protection can continue to be effectively provided to the tenant and withdrawn when no longer required. This is why the Small Use Code requires retailers to undertake an annual process to confirm the ongoing requirement for life support equipment and a re-certification process<sup>3</sup>, every three years.

Therefore, the Orders need to contain suitable conditions that clearly describe the on-selling customer's roles, responsibilities and arrangements in relation to their retailer in specifically the annual confirmation and re-certification process. The on-selling customer's relationship with its tenant will be important to achieving this outcome and they will play a valuable role in ensuring that their tenants continue receive suitable protection. Therefore, it is important that the Office give regard to this when it determines what suitable conditions should apply under the Orders and whether the state government applies existing life support equipment practices under the Small Use Code to the Orders.

## **Timeframe for passing on planned outage notifications**

Synergy in its previous submission highlighted the nature of the supply arrangements under the Orders means that an on-selling customer's site will be subject to the outage notification and disconnection requirements under the Small Use Code. However, this does not automatically extend to a tenant.

Therefore, in Synergy's view, the Office should give regard to what suitable level of notification is required by the on-selling customer to their tenant when it determines the conditions under the Orders.

## **Limitation on disconnection**

Synergy in its previous submission highlighted that tenants may have concerns in relation to being disconnected by on-selling customers. Synergy as a retailer understands that disconnection is a complex issue and is typically viewed by most retailers as a last resort. However, it is important that on-selling customers are fully aware and informed of the disconnection risks to their tenants.

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<sup>3</sup> In order to obtain the re-certification records from the on-seller.

## **Monitoring and continuous improvement**

As mentioned above, Synergy supports regulatory initiatives focused on cost effective outcomes, provide certainty and remove duplication. This means implementing a framework that pro-actively monitors and improves the effect of regulations or removing it when costs exceed benefits.

Therefore, in Synergy's view, the Office needs to give regard to how the operation of the conditions will be monitored and if required revised. This type of improvement framework can be achieved through a range of measures. For example, the proposed amendment may require an audit of the framework put in place by on-sellers to give effect to the proposed amendments. Alternatively, the amendments may require on-sellers to provide a statutory declaration that they have implemented an effective process for recording life support information and providing prompt notifications of planned supply outages. However, extending life support protections to tenants without independent monitoring or periodically testing those arrangements is poor regulatory policy.

## **Consultation on drafting the amendments for the Exemption Orders**

In Synergy's view, it is necessary that the drafting of the amendments are consistent with the operation of the Metering<sup>4</sup> Code, Small Use Code and the Quality and Reliability of Supply Code<sup>5</sup>. Therefore, Synergy recommends that the Office also conducts a consultation on the drafting of the amendments to the Orders.

Yours sincerely



Karthi Mahalingham

**Manager, Network Regulatory & Compliance**

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<sup>4</sup> Electricity Industry Metering Code 2012.

<sup>5</sup> Electricity Industry (Network Quality and Reliability of Supply) Code 2005.