

Strengthening protections for Life Support customers

Response to Draft Decision

17 September 2019

Response to Draft Decision: Strengthening protections for Life Support customers

1 Summary of Responses to Key Issues

The draft decision proposes changes to strengthen protections for Victorian Life Support customers through adopting amendments, guided by the National Energy Retail Rules (NERR) and to resolve existing deficiencies and gaps in the current arrangements.

AusNet Services has a very clear strategy and it is anchored around our customers. We believe that good customer outcomes lead to good business and have an active strategy to improve our customer satisfaction and embed customer thinking across the organisation. This includes better communications capability, better relationship management for our larger customers and more capability in the area of customer experience design, all of which would support the changes proposed in this code review.

As part of our customer engagement, we are the first Australian utility business to trial a new process that places customers at the heart of developing our expenditure plans in electricity distribution. This new process involves the establishment of a Customer Forum that is capable of representing the perspective of our customers.¹ In providing our response, we have incorporated our learnings from engaging extensively with the Customer Forum established to inform our Electricity Distribution Pricing Review (EDPR) proposal for the 2021-26 regulatory period.

AusNet Services cares for our customers registered with Life Support equipment and goes above our regulatory obligations to demonstrate this care. Our customers registered with Life Support equipment receive a heightened level of notification support, better restoration times, and a reduced likelihood of a missed outage notifications.²

We agree with many of the Commission's proposed amendments to strengthen protections for customers with Life Support equipment powered by electricity. Proposed amendments in the draft decision to require retailers to ask all customers whether anyone at the customer's premises requires Life Support equipment when they enter a contract or agreement, are important to protect customers transferring retailers. Additionally, we recommend:

- Establishing obligations on retailers to register the new premises of a moving Life Support customer and de-register Life Support from the old premises; and
- Not adopting the alternative approach of removing the need for confirmation from a registered medical practitioner.

Also we agree with the view of the Commission's draft decision to implement customer protections for customers with gas Life Support equipment. To ensure this is successful, Victorian gas distribution businesses need to implement changes to the way in which gas Life support is communicated today. An orderly transition on this change is essential as it will take at least 12 months to implement, as it did when similar NERR changes were introduced outside of Victoria. Furthermore, the resulting level of investment needs to be proportionate to the needs of gas Life Support customers, in comparison to the needs of electricity Life Support customers.

Provisions to support Victorian gas distribution businesses to acquire accurate customer notification data (including mobile phone number or email address) is necessary to effectively manage Life Support notifications. We suggest amendments to the Energy Retail Code for retailers to provide these details and ask the customer if this means of notification over a physical written letter is preferred. This change will enhance the ability of gas distribution businesses to engage with their customers more broadly and in particular in relation to planned and unplanned works that have an impact on customers.

Our answers to the questions asked in the draft decision are provided in section 5.

¹ <https://ausnetservices.com.au/en/Misc-Pages/Links/About-Us/Charges-and-revenues/Electricity-distribution-network/Customer-Forum>

² See Appendix A for more information on how we do this that was provided to the Commission in response to the Electricity Distribution Code review issues paper

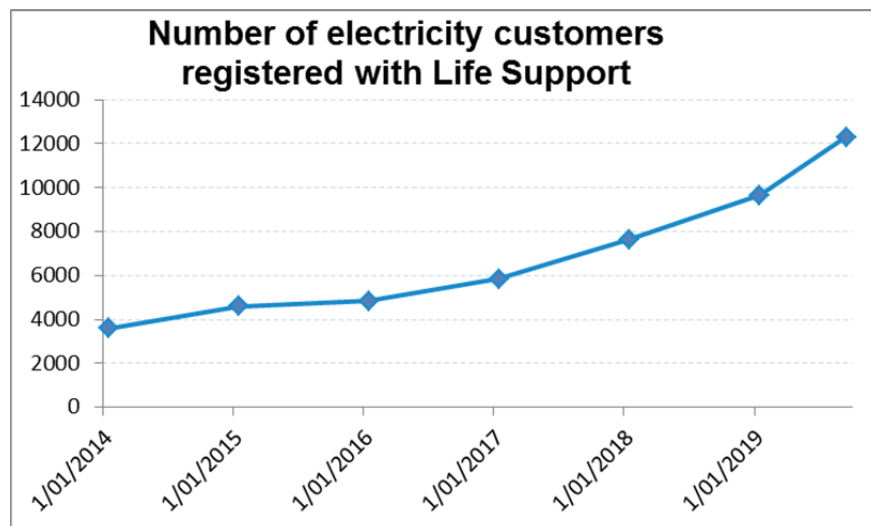
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Also, we observed the draft decision did not include proposed draft changes to the codes until more recently. Establishing clear and unambiguous drafting of the codes will be challenging, especially achieving consistency of terminology and standardising the language as discussed in section 4.3.7 of the draft decision. Accordingly, we would appreciate the opportunity to engage further with the Commission in respect to these recently published draft codes prior to the final decision.

2 Strengthening protections for customers with Life Support equipment powered by electricity

2.1 Managing the growing numbers of Life Support registrations

AusNet Services cares for our customers registered with Life Support equipment and goes above our regulatory obligations to demonstrate this care.³ Therefore we are conscious of the growing numbers of electricity customers registered with Life Support equipment. We have 12,297 customers (nearly 2% of our electricity distribution customers) registered with Life Support equipment (as at 12 September 2019) and this number has nearly tripled in the last 5 years, the below figure shows our increasing number of Life Support registrations. If the trend continues in future years, we would need to further improve our systems and processes to provide better protection to more customers.



Of some concern is the rapid rise in Life Support registration numbers in the current year. The implementation of NERR Life Support changes in other Jurisdictions on 1 February 2019 was intended to make the management of Life Support customers more robust with newly defined processes for de-registration, and newly adopted secure and auditable B2B transactions for exchanging information with retailers.

Our experience in Victoria is that retailers are de-registering fewer Life Support customers after a move-out (or after a change of retailers). Before 1 February 2019, for every 3 Life Support registrations there were 2 Life Support de-registrations, after 1 February 2019 there are less than half the number of de-registrations prior to 1 February 2019.

Also our customers often tell us of their frustration in removing Life Support registration in the circumstance where the person with the medical need passes away. We have this conversation, because as part of our heightened level of notification support, we call the customers to check their contact details before outages occur and also during extended outages. We hear, that the customer has tried to call the retailer to indicate their

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Life Support is not required with the stated reason, the occupant needing life support has is no longer living at the premises. The retailer does not remove the registration and continues to send us Life Support registration records upon the quarterly reconciliation, meaning we have to retain our record for this customer who does not want to be contacted by us in respect to the Life Support registration of their dead loved one. This is unnecessary and distressing for the customers at a very difficult time for them.

There are other situations, where retailers are not de-registering customers when the retailer receives a Life Support Notification (LSN) transaction informing the retailer that we have de-registered the premises based on what the customer has told us. Unfortunately, the NERR section 125 provisions grant the recipient of de-registration advice (either from the customer or the distributor) the discretion by using the term “may deregister”.

In addition, we have also experience retailers registering customers as requiring Life Support protections incorrectly. For instance, recently, a retailer registered mobile phone tower as needing Life Support protections. This is not necessary, as we have other processes to protect critical infrastructure (such as rail crossings) from an unintended, retailer initiated remote de-energisation. This combined with the reduction of premises being deregistered as requiring Life Support equipment contributes to challenges of appropriately and cost effectively managing additional and heightened protections we strive to provide our networks’ most vulnerable customers.

With the current update to the Victorian Life Support arrangements, we recommend drafting of the Energy Retail Code that provides less discretion, when the customer or a registered participant provides valid instructions to deregister. The use of the term “must deregister” does not necessarily need to apply to the prescribed Life Support deregistration on failure to provide medical confirmation. Adopting the current provisions in the NERR, as a guide for the Victorian drafting, would still be appropriate for process of the energy business writes to the customer seeking the medical confirmation and the customer’s failure to provide medical confirmation.

We recommend that Victorian codes provide a requirement to deregister when the customer or registered participant provides valid instructions to deregister.

2.2 A greater role of retailers is required

AusNet Services supports the Commission’s proposal to require retailers to ask new customers about life support equipment at the time of renewing or first entering into an electricity or gas contract, in draft decision 16.

We consider the concept of the Registration Process Owners has been poorly adapted in the NERR for Life Support. In practice, the obligations of a Registration Process Owner appear to dissolve once a retailer ceases to be the current retailer. Ideally, the Registration Process Owner obligations should continue until such time that the process owner has deregistered the premise.

In the common scenario, of one customer moving from an existing premises to a new premises, we are aware the customer’s existing retailer is often assigned the retailer at the new premises. Retailers are very good at recontracting a moving customer. Where this occurs, the retailer should de-register Life Support requirements from the old premises and register the new premises on the date the customer relocates. Surely, this level of customer support and care was the intent of establishing Registration Process Owners. We have observed this is not happening.

The NERR appears to not require this continuity of responsibility through the customer’s moving process. Another issue is the NERR requires the retailer to write to the customer and wait a total of 15 business days as the NERR provision require. The 15 business day delay does not provide a good customer experience where relevancy of this information is paramount for the correct maintenance of accurate registers. In this regard, we consider the NERR provisions are deficient and Life Support customers are worst served because of its deficiencies.

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AusNet Services recommends extending obligations on registered participants to have policies, systems and procedures (discussed in draft decision 13) to register the new premises of a moving Life Support customer and de-register Life Support from the old premises. We also recommend removing the delay of 15 business days in de-registration the premises.

If all three changes were made, it could negate the need for distributor to need to de-register customers when the distributor becomes aware that the customer has changed retailers.

In addition to draft decision 16, we recommend the Commission require the retailer Registration Process Owner to provide a continuity of service for a Life Support customer moving premises and deregister the old premises and register the new premises. Additionally, there would no longer be a need in these circumstances for the retailer to write to the customer and wait 15 businesses days before deregistering the old premises.

3 Implement customer protections for customers with gas Life Support equipment

3.1 Need for secure and auditable transactions for gas Life Support customers

AusNet Services agrees with the view of the Commission to implement customer protections for customers with gas Life Support equipment. Customers who are unable to self-regulate their body temperature should also be protected. However, the timeframe proposed is not sufficient for an effective implementation of gas Life Support protections in Victoria.

The AEMC made the NERR changes in December 2017 with a transitional implementation period of 13 months. In response the industry, focused on electricity processes, established agreed, secure and auditable B2B transactions to support the obligations. Prior to this implementation, it became clear to gas businesses operating in NERR jurisdictions after discussions with the AER, that the obligations were expected to apply equally to gas fuelled Life Support equipment and businesses shouldn't presume customers only needed electricity Life Support equipment. Consequently, gas distribution businesses in each NERR jurisdiction developed their own interchange process with retailers.

The Commission in the draft decision paper notes we responded to the NERR rule change process. This seem to suggest that we should be ready for the gas Life Support registration arrangements, however the information interchange arrangements for gas customers are not fit for purpose to manage the interchange of sensitive Life Support registration details. We have secure and auditable B2B transactions for electricity Life Support customers, but not for gas Life Support customers.

Therefore, prior to the introduction of new Life Support obligations in Victoria we recommend the implementation of changes to the way in which gas Life Support is communicated today to ensure secure and auditable transactions. These processes would mirror our electricity Life Support processes.

The development will take at least 12 months to implement, as it did when similar NERR changes were introduced outside of Victoria. Taking the time to get the process robust, secure and auditable is important because our customers will benefit from visibility of life support customers on the gas network by all relevant parties thus better sharing information to understand the ongoing requirements for customers on the gas network.

AusNet Services recommends a minimum 12 month transitional arrangement for implementing secure and auditable B2B transactions for gas Life Support customers.

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3.2 Lack of accurate customer notification data necessary for Life Support

Victorian gas distribution businesses currently lack the accurate customer notification data (including mobile phone number or email address) necessary to provide customers with more timely Life Support notifications. The data quality issues faced by the gas business are partly symptomatic of old B2B processes and gas retailer businesses not focusing on providing Victorian gas distribution businesses better customer information for a long time.

Currently, address accuracy issues are inhibiting our ability to notify customers for normal gas operations. The only contact information we have for gas customers is the mail address and an optional phone number.⁴ Non-delivery of data and poor data is an ongoing issue. We note the introduction of the above B2B changes will help these issues. Additionally, we recommend amendments to the Energy Retail Code for retailer obligations to provide mobile phone numbers and email address details, and to ask the customer if they prefer this means of notification over a physical written letter.⁵ This change will enhance the ability of gas distribution businesses to engage with their customers more broadly and in particular in relation to planned and unplanned works that have an impact on customers.

4 Other recommendation

We understand that the Commission intends to adopt changes guided by NERR clause 90(1)(c) allowing a Life Support customer who would like to bring forward a planned electricity interruption that affected them, to a time that was less than four business days from the receipt of the written notification. This would be useful and practical in situations where shared group metering panels need to be de-energised to facilitate another customer's connection. We welcome the inclusion of this provision extended to all customers in the draft Victorian codes recently published.

5 Response to questions

Listed below are AusNet Services' positions with respect to these questions raised in the draft decision paper:

Question	Response
Life support customer numbers	
<i>Q1. Could each distributor, retailer and exempt person advise how many customer premises are currently registered as requiring life support equipment in Victoria?</i>	AusNet Services had 12,297 electricity customers registered with Life Support equipment (as at 12 September 2017), and no gas customers registered with gas Life Support equipment. As outlined in section 2.1, the number of electricity customers registered with Life Support equipment has been growing rapidly over the last 4 years.
Feedback on implementing the national rules	
<i>2. What, if any, are the challenges and issues that stakeholders have experienced in other jurisdictions that we need to be aware of, to inform our final decision?</i>	The implementation of NERR Life Support changes in other Jurisdictions has provided an opportunity to adopt secure and auditable transactions for exchanging information with retailers and associated information system. However, we are aware of fewer de-registrations of Life Support customers after a move-out or after a change of retailers occurring. Before 1 February 2019, for every 3 Life Support registrations there were 2 Life Support de-registrations, after 1 February 2019 there are less than half the number of de-registrations prior to 1 February 2019. In sections 2.1 and 2.2, we identify the causes of this and suggest change to resolve the issues.

⁴ Specified in our AER approved standard terms and conditions for the GAAR period ending in 2022.

⁵ As we recommended in our response to the Electricity Distribution Code review issues paper

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Requirement for customer to provide medical confirmation	
<p><i>3. What are the benefits or risks associated with removing the obligation on customers to provide confirmation from a registered medical practitioner that a person residing or intending to reside at premises requires life support equipment (as described in the two alternative approaches above)?</i></p>	<p>Medical confirmation is an important control to ensure that a customer with Life Support equipment has spoken to their registered medical practitioner about their emergency plan and specific medical needs if there is an unplanned outage. This risk mitigation control is critical in protecting the health of Life Support customers, and is as important as the control of receiving adequate notice of outages.</p> <p>Allowing customers to register without talking to (or needing to talk to) their registered medical practitioner within a reasonable amount of time, would put these medically vulnerable customers at a greater risk of harm.</p> <p>The medical confirmation should not be needed as a precondition to Life Support registration, but it is important that the customer gets the necessary medical confirmation in the first 3-4 months of registering. In this regard, we consider the NERR has right balance.</p>
<p><i>4. If Victoria does not adopt the medical confirmation process, are there any circumstances in which a retailer, distributor or exempt person should be able to require a customer to provide medical confirmation?</i></p>	<p>If Victoria does not adopt the medical confirmation process, there would be no way to establish the validity of the registration if the customer at the premises need, and no means of ensuring customers have spoken to their registered medical practitioner in relation to their emergency plans.</p>
Requirements on collecting and disclosing information	
<p><i>5. Seeking stakeholder feedback on whether our codes should include specific obligations to seek consent from customers and persons residing at the premises (as applicable) before collecting and disclosing information about life support equipment to other energy businesses.</i></p>	<p>We agree that the Victorian codes should include proposed privacy requirement, discussed on pages 29 and 30, in the Code. This is a gap. Currently retailer and distribution businesses are sending secure B2B transactions with blanked out, non-mandated fields because the parties lack the legal authority to provide it the other party.</p>
Retailer interruption provisions for exempt sellers	
<p><i>6. We are seeking stakeholder feedback on whether or not we should include provisions to cover situations where exempt sellers would interrupt a customer's supply.</i></p>	<p>We consider that meter exchanges on the group metering panel of an embedded network are best facilitated by the embedded network operator, because they involve multiple outages to all electrical installations supplied from the group metering panel. Therefore, there is little need for exempt retailer planned supply interruptions.</p>
Should distributors be allowed to de-register some life support customers?	
<p><i>7. We are seeking stakeholder views on whether distributors should be able to de-register life support customers when they are not the registration process owner.</i></p>	<p>AusNet Services agrees that if the Life Support registration framework were effective that DBs would not need to de-register customers, except where customers contact us first to become their registered process owner. However, retailers often take the least-risk based approach. Retailers are not de-registering customers when:</p> <ul style="list-style-type: none"> • customers call the retailer to indicate their Life Support is not required with the stated reason “the occupant needing life support has is no longer living at the premises”; and • the retailer receives a Life Support Notification (LSN) transaction informing the retailer that we have de-registered the premises based on what the customer has told us. <p>Ideally, DBs should not de-registering the Life Support customer of another registered process owner as it dilutes the responsibilities of the Registration Process Owner, but retailers are ignoring or refusing to act on customer instructions or advice sent by the DB and leaving the premises registered with Life Support equipment.</p> <p>In section 2.2 above, we suggest two additional changes that along with draft decision 16 would negate the need for the DB to de-register a site they are not the registration process owner of.</p>

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Timely notification of life support customers	
<i>8. Can stakeholders envisage any issues with requiring the registration process owner to notify the other party within one business day after being notified by the customer? If so, please provide reasons why this would be challenging to implement.</i>	AusNet Services agree with draft decision 18 proposing to require the registered process owner to notify the other party of a customer requiring life support equipment. The industry B2B systems implemented for Life Support Notifications (LSNs) support this requirement, and transact the information typically in near real-time and no more than 2 hours.
Updating life support registers in a timely manner	
<i>9. Can stakeholders envisage any issues with requiring retailers, distributors and exempt persons to update their registers within one business day of becoming aware that the customer is a life support customer?</i>	With the receipt of a correctly formed and validate LSN transaction businesses should be able to update their Life Support registers with confidence and on the same business day.
Registration process owner in embedded networks	
<i>10. We are seeking stakeholder views on our approach of requiring the exempt seller to always be the registration process owner.</i>	We consider that both the proposed approach and the AEMC's recommended alternative approach would enable customers within embedded networks to be registered with Life Support equipment if required.
<i>11. We are also interested to know from embedded network operators, the number of residential customers who have left their embedded network and are sold electricity by a licensed retailer? Does the commission need to account for these on-market embedded network customers in the design of the new life support obligations?</i>	We provide no position in respect to this question.
<i>12. Is there merit in the commission considering the alternative approach outlined in section 6.2? If so, please provide reasons why these obligations would be needed. We also would like to know if an on-market customer, who is registered as requiring life support equipment, would be protected against disconnection in the event that the licensed retailer at the gate meter disconnected the exempt seller. Additionally, we would like to know if licensed distributors will notify the on-market customer about planned supply outages.</i>	We note the AEMC's approach with the Embedded Network Service Provider is currently untested, but it would theoretically be able to facilitate the planned outage notifications provided by the licenced distributor, such messages would be provided electronically, such as via email.

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Appendix A: AusNet Services efforts to improving communications to Life Support customers

Obligations to protect customers registered with Life Support equipment are amongst the most important for any distribution network. Victoria is fortunate to be able to take advantage of its smart meter network which provides much greater visibility and, therefore, protection of these customers. In particular, visibility allows problems to be identified and solved quickly. Smart meters also provide the opportunity for all Victorian Distributors to put in additional safety precautions not enjoyed in other States. It is likely that Victorian customers registered with Life Support equipment are protected as well as anywhere in the world and many of the improvements the Commission are proposing will ensure this continues.

Customers registered with Life Support equipment have a critical dependency for the continued supply of electricity. For this reason, it is important that Distribution Businesses provide a notification at least 4 business days before a planned outage, and customers registered with Life Support equipment have emergency plans in place in the event of an unplanned supply interruption and have discussed those arrangements with their registered medical practitioner.

The Issues Paper discusses the Commission's consideration of establishing obligations to notify vulnerable customers during extended supply interruptions, and potentially extending current obligations to notifying relevant government departments during a wide-spread outage of residential customers with extended supply interruptions.

AusNet Services endeavours to keep all impacted customers up to date of identified supply interruptions and provides useful information as to the expected resolution time. We do this by providing SMS (or emails if the mobile number is unavailable and the email address is) notifications and show the outage information on our website in the form of an interactive map. Additionally, we provide better communication to Life Support customers in advance of planned outage by the use of community messaging channels and social media.

In the case of customers registered with Life Support equipment, we

- provide a heightened level of notification support;
- focus on improving their restoration times; and
- reduce the likelihood of a missed outage notifications by taking more steps to confirm the accuracy of the data used to initiate outage notifications.

Providing a heightened level of notification support for Life Support customers

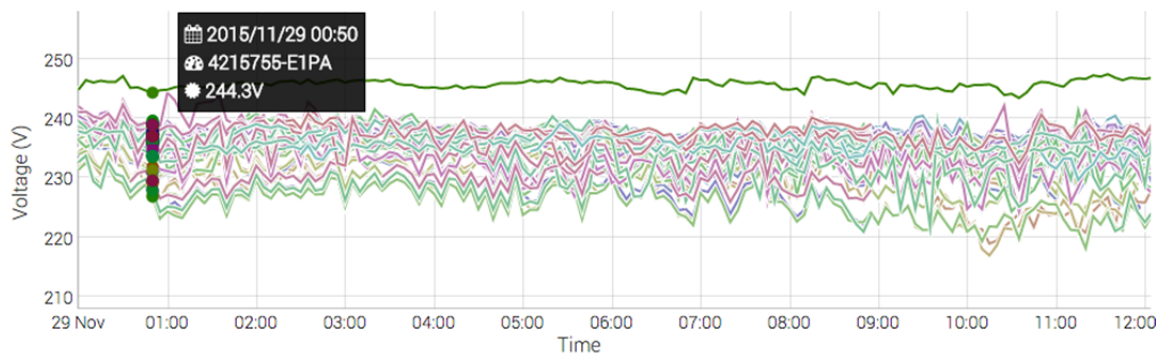
As a matter of good customer service during a widespread outage, AusNet Services contacts affected customers registered with Life Support equipment (or their nominated contact) via phone or SMS in the event of an extended outage, as well as, informing relevant government departments. If their outage is likely to continue overnight we do so within 6 hours from their supply interruption occurring. Sometimes, feeders have multiple points of interruption and the customers' expected restoration times are difficult to predict, but being in contact with these medically confirmed vulnerable customers provides much needed assurance.

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Confirm the accuracy of the data used to initiate outage notifications

All new registrations of Life Support equipment trigger a process where our people investigate the powerline from the customer's premises to distribution transformer and checking to ensure our graphical information system (GIS) data aligns.

Our information systems generate an automatic cross reference check, using AMI meter data, to ensure all customers newly registered with Life Support equipment are labelled correctly. This check relies on premises supplied by the same substation displaying similar electrical characteristics and spotting the odd one out as illustrated below.



Improved restoration times for customers registered with Life Support equipment

The Electricity Distribution Code does not specifically incentivise faster restoration times for Life Support customers, nor does our economic regulatory framework does not specifically incentives it, but we are working to provide customers registered with Life Support equipment with faster restoration times in recognition of their medical needs. In consultation with the Customer Forum established for our EDPR, we have agreed to establish Life Support customer restoration time benchmarks.

Using smart meter data, AusNet Services is improving restoration times for Life Support customers. The data collected from our smart meters is used to identify the fault and confirm restoration. Where a feeder has multiple points of interruption, but having to ability to check if the works just undertaken to fix one fault has restored the customers power leads to faster restoration times. As we refine and better integrate this process into our field operations we expect future improvement in our Life Support customer restoration time benchmarks.

Also in consultation with the Customer Forum as part of our customer centric EDPR process we have agreed to extend our efforts even further. To provide Life Support customers with more coordinated community support, we will identify the key social workers engaging with vulnerable customers on our distribution network, then co-develop energy resources to provide social workers to help them in better assisting vulnerable customers.

AusNet Services cares for our customers registered with Life Support equipment and recognises their reliance on the continued supply of electricity. As a matter of good practice, we provide customers registered with Life Support equipment a heightened level of notification support, better restoration times, and a reduced the likelihood of a missed outage notifications.

Having adopted these higher standards, we consider it should not become a minimum standard obligated in regulation because doing so may discourage further innovation and customer improvements by businesses.