

23 August 2013

Ms Victoria Rosen
Energy Regulatory Manager
Essential Services Commission
Level 37,
2 Lonsdale Street
Melbourne VIC 3000

Submitted via email to: energy.submissions@esc.vic.gov.au

Dear Ms Rosen,

Re: Harmonisation Project: Consequential Amendments to Victorian Energy Instruments

Lumo Energy thanks the Essential Services Commission's (Commission) for the opportunity to make a submission in response to Consultation Paper entitled Harmonisation Project: Consequential Amendments to Victorian Energy Instruments.

Lumo Energy is 100% owned by Infratil Limited, a company listed on the New Zealand and Australian Stock Exchanges. Lumo Energy currently retails across the National Electricity Market and gas markets in Victoria, South Australia and New South Wales, and is one of the largest second tier energy retailers. As such, it has a keen interest in the uptake of the National Energy Customer Framework (NECF) across all jurisdictions to the extent it facilitates an efficient and cost effective outcome for consumers.

Lumo Energy strongly supports the implementation of the NECF in its entirety by the Victorian government. The consequential amendments do not achieve the objective set out by the Commission, to harmonise Victorian instruments to those contained in the NECF. Lumo Energy queries why the customer-Distributor relationship prescribed in the NECF is omitted from the harmonisation effort?

In relation to the amendments proposed in the Consultation Paper, Lumo Energy queries why 1.7(a) of the Electricity Metering Code is not amended to reflect the updates to the Energy Retail Code version 11? A consistent complaints and dispute resolution procedure will produce a more appropriate outcome for customers who have a grievance. For this reason, Lumo Energy recommends that the Commission insert 59A into 1.7(a).

Lumo Energy supports the proposed updates made to the Retail Compliance Reporting Manual. Lumo Energy recommends that the updated Manual apply from 1 January 2014 to 1 July 2014, with the current version continuing to apply



until the 30 December 2013. This will cause the least disruption to business process and ensure that compliance reporting relates to the obligations that are in place at the time of the report.

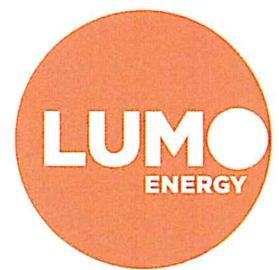
In addition to the key points above, Lumo Energy has attached a table of proposed drafting amendments for the Commission to consider in its Final Decision. These consist of drafting suggestions to ensure the Energy Retail Code is properly referenced and recommends amendment of the consequential instruments.

Lumo Energy would welcome the opportunity to participate in a Commission lead retailer forum to further discuss the consequential amendments, in particular those relating to the retail licences. Please do not hesitate to contact me on 03 8680 6439 or Stefanie Macri on 03 8683 2427 to discuss this submission further.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized capital letter 'A' followed by a long horizontal line that tapers to the right.

Aneta Graham
General Manager, Regulatory Affairs & Corporate Relations
Lumo Energy Australia Pty Ltd
Att



Instrument and clause requiring amendment	Lumo Energy comment
<p>Energy Retail Code Note relating to clause 5.1 of the Electricity Metering Code</p>	<p>The Consultation Paper suggests that a note will be added into the Energy Retail Code noting that additional obligations in relation to the meter testing are in the Electricity Metering Code. Lumo Energy suggests that this note also includes a reference to the Gas Distribution System Code, which also has additional obligations in relation to meter testing. This will ensure that the Energy Retail Code notes additional meter testing requirements that apply to both gas and electricity consistently.</p>
<p>Operating Procedure Compensation for Wrongful Disconnection Insertion of “operating” in the body of the document.</p>	<p>Lumo Energy queries why the Commission has inserted the word ‘operating’ throughout the body of this document and it has not rectified other inconsistent terminology in other documents. Lumo Energy supports the Commission amending the Codes and ‘Operating’ Procedures to ensure that language contained within these documents is relevant. For example, the Gas Distribution System Code continues to refer to ‘VENCorp’ and the Electricity Distribution Code refers to ‘NEMMCO’.</p>
<p>Operating Procedure Compensation for Wrongful Disconnection Appendix A, 1 (g) customer has agreed to an offer to pay the bill in instalments and not yet failed to adhere to an instalment arrangements (ERC 111(1)(b)).</p>	<p>Lumo Energy recommends that ‘arrangements’ be replaced with ‘arrangement’ as highlighted below:</p> <p>(g) customer has given reasonable assurance of willingness agreed to an offer to pay the bill in instalments and not yet dishonoured failed to adhere to an instalment arrangements assurance (ERC 111(1)(b)).</p>
<p>Operating Procedure Compensation for Wrongful Disconnection Appendix A, 1(m) failure to provide (where required) information on concessions, energy efficiency and financial counselling (ERC 33(3)).</p>	<p>Lumo Energy notes that financial counselling is not a requirement under 33(3). Recommend the following amendments be made:</p> <p>(m) failure to provide (where required) information on concessions and energy efficiency and financial counselling (ERC 33(3)).</p>
<p>Operating Procedure Compensation for Wrongful Disconnection Appendix A, 2(a) disconnection occurs where the retailer has not considered whether the customer is experiencing repeated payment difficulties in paying the bills or requires payment assistance and</p>	<p>Lumo Energy notes that clause 33(1) does not have a requirement to assess a customer’s capacity to pay. Lumo Energy recommends one of the following amendments are made: <u>Option 1:</u> 2(a) disconnection occurs where the retailer has not considered whether the customer is experiencing repeated payment difficulties in paying the bills or requires payment assistance and does not take</p>



Instrument and clause requiring amendment	Lumo Energy comment
<p>does not take steps to assess the customer's capacity to pay (ERC 33(1) and 72(1)).</p>	<p>steps to assess the customer's capacity to pay (ERC 33(1), 72(1) and 72(1)(a)(i) for assessment of capacity to pay).</p> <p><u>Option 2:</u> 2(a) disconnection occurs where the retailer has not considered whether the customer is experiencing repeated payment difficulties in paying the bills or requires payment assistance and, where required, does not take steps to assess the customer's capacity to pay (ERC 33(1) and 72(1)).</p>
<p>Operating Procedure Compensation for Wrongful Disconnection Appendix A, 2(b) no response or inadequate response to customer enquiry on financial assistance following disconnection warning (ERC 111(1)(e)).</p>	<p>Lumo Energy believes that the correct ERC reference is 111(1)(e). Recommend amendment by the Commission.</p>
<p>Operating Procedure Compensation for Wrongful Disconnection Appendix A, 2(c) customer asserts that retailer has not adequately assessed the customer's capacity to pay (ERC 72(1)).</p>	<p>Lumo Energy believes that the reference clause should refer the actual sub-clause to avoid confusion. Recommend that the Commission amends the reference to read: "(ERC 72(1)(a)(i))".</p>
<p>Operating Procedure Compensation for Wrongful Disconnection Appendix A, 2(g) for a customer who is either a hardship customer or a customer experiencing payment difficulties, the retailer did not use "best endeavours" to contact the customer in person or by telephone (ERC 111(1) and 111(2)).</p>	<p>Lumo Energy query how clause 111(2) applies in this situation, as all cases are covered under clause 111(1).</p>