

CHAPTER 6B

6B. Retail markets

Part A Retail support

Division 1 Application and definitions

6B.A1.1 Application of this Part

This Part:

- (a) applies to a *Distribution Network Service Provider* and a *retailer* who have *shared customers*; and
- (b) applies to the exclusion of Part J of Chapter 6 to a *Market Customer* who is a *retailer*; and
- (c) prevails over any inconsistent provisions in a distribution determination.

6B.A1.2 Definitions

In this Part:

customer connection service has the same meaning as in the *NERL*.

date of issue of a *statement of charges* means the date on which the *Distribution Network Service Provider* sends the statement to the *retailer*.

default rate means the *bank bill rate* (as in force from time to time) plus two percentage points per annum.

due date for payment means 10 *business days* from the *date of issue* specified on a *statement of charges*.

network charges means charges that a *Distribution Network Service Provider* is entitled to claim for *customer connection services* in respect of *shared customers* under these *Rules*.

retail billing period means a calendar month or any other period agreed between a *Distribution Network Service Provider* and a *retailer*.

shared customer has the same meaning as in the *NERL*.

statement of charges —see clause 6B.A2.4.

Division 2 Billing and payment rules

6B.A2.1 Obligation to pay

Subject to this Part, a *retailer* must pay to a *Distribution Network Service Provider* the *network charges* payable in respect of each *shared customer* by the *due date for payment*.

Note:

This clause is a conduct provision for the purpose of the *NEL*.

6B.A2.2 Direct customer billing and energy-only contracts

- (a) Where a *Distribution Network Service Provider* and a *shared customer* agree that the *customer* will be responsible for paying *network charges* directly to the *Distribution Network Service Provider* (a **direct billing arrangement**), the *Distribution Network Service Provider* may issue a bill to that *customer* for any or all of the *customer connection services* provided to that *customer's* premises.
- (b) The *Distribution Network Service Provider* must notify the *retailer* of the *direct* billing arrangement as soon as reasonably practicable after commencement of the agreement.
- (c) A *retailer* has no liability to pay *network charges* that have been, or are to be, billed to the *shared customer* under a *direct* billing arrangement.
- (d) Where a *retailer* and a *shared customer* enter into a contract for the sale of electricity only, the *retailer* must notify the relevant *Distribution Network Service Provider* as soon as reasonably practicable after commencement of the contract.

6B.A2.3 Calculating network charges

Network charges must be calculated in accordance with these *Rules* and a *Distribution Network Service Provider's* distribution determination.

6B.A2.4 Statement of charges

- (a) A *Distribution Network Service Provider* must provide a statement of *network charges* (a **statement of charges**) to a *retailer* as agreed between the parties but no later than the 10th *business day* of the *retail billing period* next following the *retail billing period* to which the charges relate.
- (b) The *statement of charges* must include:
 - (1) the *network charges*, separately identified, in respect of each *shared customer's* premises for which *metering data* was received, or a service request was completed, during that *retail billing period*;
 - (2) the *date of issue* of the *statement of charges*, and the *due date for payment*;
 - (3) where applicable, the *metering data* for each *shared customer's* premises;
 - (4) any adjustments to *network charges* from previous *retail billing periods*; and

Note:

See clause 6B.A3.1.

- (5) where applicable, any credits for GSL payments that the *Distribution Network Service Provider* is required to make in respect of a *shared customer's* premises.

- (c) Subject to these *Rules* and the *Retail Market Procedures*, the format of the *statement of charges* must be as agreed between the *retailer* and *Distribution Network Service Provider* or, in default of agreement, as reasonably determined by the *Distribution Network Service Provider*.

- (d) In this rule:

GSL payment means a payment by a *Distribution Network Service Provider* in respect of non-compliance with a *distribution service* standard or *distribution reliability* standard.

service request means a request by a *retailer* to a *Distribution Network Service Provider* for a *customer connection service*.

6B.A2.5 Time and manner of payment

- (a) Subject to clause 6B.A3.3(c), a *retailer* must, by the *due date for payment*, pay the full amount specified in a *statement of charges* without set-off.
- (b) Payment must be made into the *Distribution Network Service Provider's* nominated bank account.

Division 3 Matters incidental to billing and payment

6B.A3.1 Adjustment of network charges

- (a) If a *retailer* is not permitted to recover *network charges* from a *shared customer* under the *NERL* or the *NERR*, then neither is the *Distribution Network Service Provider* permitted to recover those charges from the *retailer*.
- (b) Subject to paragraph (a), *network charges* contained in a *statement of charges* may be adjusted to account for any error in, or correction or substitution of:
 - (1) *metering data*; or
 - (2) any other amount or factor that affects the calculation of the *network charges*.
- (c) An adjustment under paragraph (b) may be made by a *Distribution Network Service Provider* by including, in a subsequent *statement of charges*, the amount required to be paid by, or credited to, the *retailer* together with an explanation of the adjustment.

Note:

See also clause 6B.A3.3.

6B.A3.2 Tariff reassignment

- (a) A *retailer*:
 - (1) must, if a *shared customer* informs the *retailer* of a *change* in use of electricity consumption at the *customer's* premises as a result of which the *retailer* reasonably considers that the existing tariff applying to the *customer* should no longer apply; and

- (2) may, for any other reason, but not more than once in any 12 *month* period in respect of the same premises,

request the *Distribution Network Service Provider* to review the tariff to which the *customer* is assigned.
 - (b) The request is to include:
 - (1) the reasons for the request; and
 - (2) any relevant information provided by the *customer*; and
 - (3) the tariff proposed by the *retailer*.
 - (c) On receipt of the request, the *Distribution Network Service Provider* must decide whether the tariff should be *changed*.
 - (d) The *Distribution Network Service Provider* must inform the *retailer* of its decision and, if the decision is not to *change* the tariff or to assign a tariff other than that proposed by the *retailer*, the *Distribution Network Service Provider* must also inform the *retailer* of its reasons for the decision.
 - (e) If the *Distribution Network Service Provider* decides to *change* the tariff, it must make the *change* in accordance with:
 - (1) the requirements of the *NERL* and the *NERR*;
 - (2) any provisions of the *Distribution Network Service Provider's* distribution determination governing the assignment or re-assignment of *retail customers* to tariffs; and
- Note:**
See clause 6.18.4.
- (3) the *Rules* and the *Retail Market Procedures*.

6B.A3.3 Disputed statements of charges

If a *retailer* disputes an amount (the **disputed amount**) set out in a *statement of charges*, the following provisions apply:

- (a) The *retailer* must give written notice to the *Distribution Network Service Provider* of the disputed amount and the reasons for disputing payment.
- Note:**
A *retailer* may also give notice pursuant to this clause if it seeks an adjustment under clause 6B.A3.1 or where it disputes an adjustment made under that clause.
- (b) Payment by the *retailer* of all or part of an amount set out in a *statement of charges* does not affect the right of the *retailer* to dispute the amount.
 - (c) If the *retailer* has given notice under paragraph (a) and payment of the charges to which the statement relates has not yet been made, the *retailer* must pay the *Distribution Network Service Provider* by the *due date for payment* (unless the *Distribution Network Service Provider* agrees otherwise) the greater of:
 - (1) the undisputed component of the *statement of charges*; or

- (2) 80% of the total amount due under the disputed *statement of charges*;
- (d) The *retailer* must, if the dispute is not resolved by agreement of the parties within 10 *business days* after the date the *retailer* gave notice under paragraph (a), immediately submit the dispute for resolution or determination in accordance with Chapter 8.
- (e) If the *retailer* fails to submit the dispute for resolution or determination in accordance with paragraph (d), the *Distribution Network Service Provider* may submit the dispute for resolution or determination in accordance with Chapter 8.
- (f) Subject to any determination of the *DRP*, if following resolution or determination of the dispute in accordance with Chapter 8, the amount due to the *Distribution Network Service Provider* is:
 - (1) more than the amount already paid by the *retailer*, the *retailer* must pay the difference to the *Distribution Network Service Provider* within 3 *business days* of the resolution or determination of the dispute, together with interest on the amount of the difference at the *default rate* for each *day* from the original *due date for payment* to the actual date of payment; or
 - (2) less than the amount already paid by the *retailer*, the *Distribution Network Service Provider* must pay the difference to the *retailer* within 3 *business days* of the resolution or determination of the dispute, together with interest on the amount of the difference at the *default rate* for each *day* from the date the *retailer* made the overpayment to the *Distribution Network Service Provider* to the actual date of repayment of the amount of the excess by the *Distribution Network Service Provider*.

6B.A3.4 Interest

If requested, a *Distribution Network Service Provider* and a *retailer* must pay interest at the *default rate* on any amount due to the other under this Chapter that remains unpaid after the *due date for payment*, until the date on which that amount is paid in full.

6B.A3.5 Notification of changes to charges

- (a) A *Distribution Network Service Provider* must notify a *retailer* of:
 - (1) any proposed *changes* in the *Distribution Network Service Provider's* price lists under Chapter 6 (**preliminary information**) no later than 2 *business days* after the date on which the *changes* are notified to the *AER* under these *Rules*; and
 - (2) any *changes* in the *Distribution Network Service Provider's* price lists approved by the *AER* no later than 2 *business days* after the date on which the *AER* notifies the *Distribution Network Service Provider* of the approval; and
 - (3) any *change* in the level of a *network charge* (other than a *network tariff*) as soon as reasonably practicable after the *Distribution Network Service*

Provider becomes aware of that *change* and, if the *change* requires the approval of the *AER* under these *Rules*, no later than 2 *business days* after the *AER* advises the *Distribution Network Service Provider* that the *change* (or the resulting charge) is approved by the *AER*.

- (b) A *retailer* must treat preliminary information notified under paragraph (a)(1) as *confidential information*.
- (c) A *Distribution Network Service Provider* has no liability where proposed *changes* contained in preliminary information provided under paragraph (a)(1) are subsequently not approved, or are modified, by the *AER*.

Part B Credit support required for late payment

Note:

The *credit support* rules set out in Part B are conduct provisions for the purpose of the *NEL*.

Division 1 Application and definitions

6B.B1.1 Application of Part B

This Part B (to be known as the ***credit support rules***) applies to a *Distribution Network Service Provider* and a *retailer*:

- (a) in respect of *shared customers*;
- (b) in respect of charges for services for which the *retailer* pays the *Distribution Network Service Provider* in arrears in accordance with a *statement of charges* under clause 6B.A2.4.

6B.B1.2 Definitions

In this part:

date of issue has the meaning given in clause 6B.A1.2.

default rate has the meaning given in clause 6B.A1.2.

due date for payment has the meaning given in clause 6B.A1.2.

network charges has the meaning given in clause 6B.A1.2.

shared customer has the meaning given in clause 6B.A1.2.

statement of charges —see clause 6B.A2.4.

Division 2 Requirements for credit support

6B.B2.1 Distribution Network Service Provider may require credit support in limited circumstances

- (a) A *Distribution Network Service Provider* may only require a *retailer* to provide *credit support* if within the previous 12 *months*, the *retailer* has failed to pay in full:
 - (1) the charges contained in 3 *statements of charges* by the *due date for payment*; or

- (2) the charges contained in 2 consecutive *statements of charges* by the *due date for payment*; or
- (3) the charges contained in 1 *statement of charges* within 15 *business days* of the *due date for payment*.

and then only in accordance with the *credit support* rules.

- (b) A *Distribution Network Service Provider* may only require a *retailer* to provide *credit support* up to an amount equal to the charges contained in the most recent *statement of charges* that gave rise to the requirement for the *retailer* to provide *credit support* under clause 6B.B2.1(a).
- (c) If a *retailer* fails to pay charges contained in a *statement of charges*, but the charges are disputed, and the *retailer* has complied with the requirements of clause 6B.A3.3 in respect of the dispute, the *retailer* will not be considered in default in payment of the disputed charges and the *Distribution Network Service Provider* will not be entitled to require the *retailer* to provide *credit support*.

Division 3 Provision of credit support by retailers

6B.B3.1 Retailer to provide credit support

- (a) A *retailer* must, on request by a *Distribution Network Service Provider*, under clause 6B.B2.1 provide *credit support* to a *Distribution Network Service Provider* in accordance with the *credit support* rules.
- (b) The *credit support* provided by a *retailer* must be:
 - (1) for an amount requested by the *Distribution Network Service Provider*, not exceeding an amount equal to the charges contained in the most recent *statement of charges* that gave rise to the requirement for the *retailer* to provide *credit support* under clause 6B.B2.1; and
 - (2) provided within 5 *business days* of the *Distribution Network Service Provider's* request; and
 - (3) an acceptable form of *credit support* in favour of the *Distribution Network Service Provider* (see clause 6B.B3.2).
- (c) A *retailer* must ensure that at all times the aggregate undrawn amount of the *credit support* is not less than the amount requested by a *Distribution Network Service Provider* in accordance with clause 6B.B2.1.

6B.B3.2 Acceptable form of credit support

- (a) A *retailer* required to provide *credit support* under these *Rules* must provide the *credit support* in an acceptable form.
- (b) An acceptable form of *credit support* is:
 - (1) a form of *credit support* that the *retailer* agrees to provide, and the *Distribution Network Service Provider* agrees to accept; or
 - (2) an undertaking:

- (i) substantially in the form set out in Schedule 6B.1; and
- (ii) issued by a financial institution acceptable to the *Distribution Network Service Provider*.

Division 4 Other Rules relating to credit support

6B.B4.1 Application of credit support

- (a) A *Distribution Network Service Provider* may only apply or draw on the *credit support* if:
 - (1) the *Distribution Network Service Provider* has given not less than 3 *business days'* notice to a *retailer* that it intends to apply or draw on the *credit support* in respect of an amount due and payable by the *retailer* to the *Distribution Network Service Provider*, and that amount remains *outstanding*; and
 - (2) there is no unresolved dispute under clause 6B.A3.3 about the *retailer's* liability to pay that amount.

6B.B4.2 Return of credit support

- (a) If:
 - (1) a *Distribution Network Service Provider* and a *retailer* no longer have any *shared customers*; or
 - (2) in the 12 *months* since the *credit support* was provided, the *retailer* has paid in full the charges contained in each *statement of charges* issued in that 12 *month* period by the due date for payment,

the *Distribution Network Service Provider* must pay, cancel or return to a *retailer* as appropriate, any balance of *credit support outstanding* after payment of all amounts owing by the *retailer* to the *Distribution Network Service Provider*.

6B.B4.3 Other retailer obligations

- (a) A *retailer* must not take any steps to restrain (by injunction or otherwise):
 - (1) an issuer of *credit support* from paying out, or otherwise satisfying, a claim properly made by the *Distribution Network Service Provider* under the terms of the *credit support*; or
 - (2) the *Distribution Network Service Provider* from making a claim on the *credit support* in accordance with the *credit support rules*; or
 - (3) the *Distribution Network Service Provider* using the money obtained by calling on the *credit support*.
- (b) A *Distribution Network Service Provider* may disclose to its financiers, the *AER* or *AEMO* that it has required or called on *credit support* provided by the *retailer* under the *credit support rules*.

Schedule 6B.1 Prescribed form of unconditional undertaking for credit support

(Clause 6B.B3.2)

In this deed:

- (a) ABC Ltd (ACN) is the *retailer*; and
- (b) DEF Ltd (ACN) is the *Distribution Network Service Provider*; and
- (c) GHI Ltd (ACN) is the Financial Institution.

The Financial Institution unconditionally undertakes to pay, on demand by the *Distribution Network Service Provider*, to the *Distribution Network Service Provider* any sum or sums up to a maximum aggregate of \$.....

The payment or payments are to be made forthwith and unconditionally, without reference to the retailer, and despite any instruction from the retailer not to make the payment or payments.

A demand for payment under this deed is to be made on behalf of the *Distribution Network Service Provider* by[*name of person authorised to act on behalf of the Distribution Network Service Provider*]

This deed is terminated if:

- (a) the *Distribution Network Service Provider* notifies the Financial Institution that it no longer requires the Financial Institution's undertaking; or
- (b) the Financial Institution pays to the *Distribution Network Service Provider* a sum or sums amounting to its maximum aggregate liability under this deed; or
- (c) the parties agree to terminate it.

Executed as a deed at this day of 20.....

