

14 May 2019

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Sir Madam,

Suggested change to the Deemed Standard Connection Contract

The National Energy Retail Law (South Australia) Act 2011 refers to the Deemed Standard Connection Contract (DSCC) which describes the terms under which energy distributors provide energy to domestic consumers, such as me.

I request that you give consideration to improving Paragraph 8(c) of the DSCC in order that energy distributors are required to reimburse the reasonable costs of customers who (unwittingly) make repairs to the distributor's network in order to restore their service.

Background

I experienced an electrical problem at my house, that being the failure of some of the wall sockets.

Because I am a lay person and 1) my electrical outage was only partial, i.e. some wall sockets and lights still worked, and 2) my neighbours seemed unaffected, I presumed the failure was somewhere in my house and not a broader network issue, so I called an electrician.

The electrician attended within a short time and diagnosed a failed Service Protection Device (SPD). I then learned that the SPD is part of my distributor's network and the electrician, who claimed to have received the necessary training and accreditation from the distributor to replace them, replaced the SPD.

I subsequently sent an email to my energy distributor, Evoenergy, in which I sought reimbursement of the electrician's fee of \$190.30.

The Outcome

Evoenergy stated in their reply that they would not reimburse my costs and the basis for their refusal can best be summarised as follows:

Evoenergy supplies electricity customer connection services to customers under the terms of the DSCC, specifically, Paragraph 8(c) states that Evoenergy have no liability for any loss suffered by me except for where they have acted negligently or in bad faith, and since Evoenergy did not act negligently or in bad faith they would not reimburse my costs.

The DSCC

I expect that the part of the DSCC that Evoenergy has quoted as the basis for rejecting my claim is intended to protect them from paying for the replacement of things such as:

- frozen meat that was spoiled, or
- an internet router that was 'fried',

however, my payment to the electrician was not so much a loss as a consequence of an outage, like spoiled food is, but more a necessary cost to restore my service, and in my opinion that makes it different.

A normal person in the street would see this as black and white. Evoenergy's equipment failed, Evoenergy should pay for the reasonable cost of its repair, however, the DSCC is sufficiently vague as to allow distributors to hide behind it and leave customers with the burden of repairing network assets (in addition to replacing spoiled food and internet routers).

My Suggestion

I strongly suggest that Paragraph 8(c) of the DSCC be improved and close what I would describe as a loophole and prevent distributors from using it to avoid paying for the maintenance of their assets.

Rather than offering total indemnity to the distributor, the following phrase could be appended to Paragraph 8(c) as an exclusion.

...except where the loss relates to repairs that are made to a distributor's assets that are necessary to restore an energy supply.

Someone with a wiser legal pen than I may choose other words, but I hope you get the idea.

In support of this suggestion I put to you that the repairing of SPD's by electricians is probably the most efficient way of getting the job done and I strongly suspect that is why Evoenergy goes to the effort of training them to do the task, and Evoenergy should not be able to use the DSCC to avoid the cost.

Yours faithfully,

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Stephan Kraus

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