



18 July 2017

Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

By electronic lodgement

Ref: RRC0009

**Re: Strengthening Protections for Customers Requiring Life Support Equipment—Consultation Paper**

Origin Energy (Origin) welcomes this opportunity to respond to the Australian Energy Market Commission's (the Commission) Consultation Paper on Strengthening Protections for Customers Requiring Life Support Equipment.

Origin supports the proposed rule change. We believe that the proposed standards create clear expectations about what a retailer or distributor are required to do in order to register a Life Support customer. In our view, Origin's current practices generally match or exceed those proposed by the Australian Energy Regulator (AER).

It is important that customers clearly understand the requirements to provide medical certification in order to obtain the benefit of Life Support obligations. Equally, it is necessary for there to be clear process for deregistering these customers where they have had every opportunity to comply with these requirements but have not done so. Origin believes that the AER's proposal balances these competing issues.

**Registration Process and Medical Confirmation**

Origin supports the proposed changes to the registration process and the steps that retailers must take to inform customers about the need for medical confirmation from their Doctor. Given the potential risks faced by Life Support customers, it makes sense to clarify the obligations that retailers and distribution network service providers (DNSPs) will need to comply with when handling these requests. Whilst this will potentially lead to additional steps being taken by responsible parties, it will also remove ambiguity about whether businesses are complying with relevant obligations.

In particular, Origin accepts that customers should be placed on the Life Support list once a retailer or DNSP is notified by the customer. So long as there is a proper process in place for deregistering a customer where medical confirmation is not obtained then Origin believes an initial benefit of doubt should be given to these customers. This creates an incentive for businesses to take steps to receive assurance from their customers that they medically require Life Support. Origin believes that the proposed Information Pack will also provide additional transparency in the process because it makes clear both customer rights and their obligation to provide medical confirmation.

Origin believes that the current notification arrangements between a retailer and DNSP are sufficient for keeping registers up to date. Already there is a requirement for quarterly reconciliation between retailers and DNSPs, and there is an overnight customer details notification process which means that any change to the register is known by a DNSP within 24 hours. Both of these processes are sufficient for keeping retailer and DNSP registers consistent.

## **Deregistration process**

Origin agrees with the voluntary deregistration process. As we note above, the customer will clearly understand under the proposed rules that they must take steps to confirm their need to be on the Life Support register. Whilst the majority of customers are on Life Support registers because they need it, Origin has nonetheless observed that a minority of customers may seek to delay disconnection by registering as a Life Support customers. As we noted above, the requirements on retailers to provide advice to customers about obtaining medical confirmation should give the majority of customers the opportunity to obtain this confirmation, whilst also identifying those customers who do not need to access this support.

With respect to controlling the deregistration process, we believe that retailers should always be permitted to request deregistration. In Origin's experience, retailers receive around 90% of customer requests and have processes in place to deal with them; it is more efficient for a retailer to follow up the customer, particularly given the relationships retailers have with customers. This is reflected in the practice of Origin following up Life Support requests on behalf of a DNSP that has received the initial request. Given these practices, it makes sense for retailers to have the discretion to request deregistration where they have undertaken efforts to obtain medical confirmation.

We also note that if a DNSP does not deregister a customer despite being informed they no longer need Life Support protections—which they may do as a matter of risk management—then they bear no consequences because their accounts are settled regardless. Accordingly, given retailers must bear this risk in the market, it is only fair that they be able to commence deregistration regardless of who was originally notified.

Should you wish to discuss the contents of this response, please contact Timothy Wilson, Regulatory Analyst, on (03) 8665-7155 in the first instance.

Yours sincerely



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