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Australian Energy Market Commission
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National Electricity Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017, 20 June 2017

Jemena Electricity Networks Vic Ltd (**JEN**) welcomes the opportunity to respond to the Australian Energy Market Commission's consultation paper – strengthening protections for customers requiring life support equipment.

The Energy Networks Association (**ENA**) has consulted JEN on the issues presented in the consultation paper and we support ENA's submission to this consultation paper.

The AER proposed rule changes seeks to strengthen the protections provided to customers requiring life support equipment. JEN supports the rule changes. However, we believe the rules can be further strengthened.

Registration and deregistration processes of customers on life support register

One of the AER's concern is that life support registers have grown and have become increasingly inaccurate due to low levels of follow up for medical confirmation and increasing numbers of inaccurate and out-of-date registrations.¹

The AER's proposed rule changes require the registration process owner (the retailer or distributor first contacted by the customer) to follow a prescribed process for registration and deregistration of customers on life support register. However the proposed rules do not compel the retailer or distributor to deregister a customer if the customer has not provided the requisite medical confirmation at the end of the prescribed registration process. In section 4.3.2 *How the rule change will address this issue*² of the rule change request, the AER states:

*"If the business completes these steps it **may** deregister the customer and the customer will cease to receive the life support protections"*³ [Emphasis added].

JEN considers if the rules allow a retailer or a distributor the choice of deregistration after completing the process steps—that is, it *may* deregister the customer—then the

¹ Rule change request, p 12.

² Ibid, p 21

³ Ibid, p 22.

rules may not effectively address the AER primary concern that life support registers have grown and have become increasingly inaccurate.

JEN suggests 'may' be replaced with 'must' in Rule 125 (4), (7)(b), (8)(b), (9)(b)(ii), and (10)(b)(ii).

Extension of Rule 125 (10) to include advice received pursuant to Rule 125 (11)

JEN suggests Rule 125 (10) be amended to include advice received pursuant to Rule 125 (11). Suggested amendment is underscored as shown below:

"If a distributor, who in accordance with rule 124(4), registered a customer's premises as requiring *life support equipment* following notification from a retailer, receives a deregistration request from the customer or advice received pursuant to Rule 125 (11):

(a) the distributor must, upon receipt of the deregistration request or advice received pursuant to Rule 125 (11):"

- (i) refer the deregistration request to the retailer within two days of the request;
- (ii)"

A reciprocal amendment is suggested for Rule 125 (9).

Other amendments

Insert reference to "business days" in Rules 125 (7), (8), (9), and (10). Otherwise, the short timeframe may become a compliance issue if there are public holidays during the period.

Correct the numbering format in Rule 125 (10).

If you have questions in relation to the submission, please contact Siva Moorthy on (03) 9173 8774.

Yours sincerely

[signed]

Matthew Serpell
Manager Asset Regulation and Strategy

Attachment 1

Question 1: The concerns the AER has identified with the life support rules

(a) Has the AER accurately characterised the problems with the life support rules?

Response:

(a) Yes. JEN considers the concerns set out in the AER's rules change request in section 3.1 of the consultation paper accurately characterised the problems with the life support rules.

Question 2: The registration process

- (a) Please provide any information you have on the size of life support registers and how these have changed over time.
- (b) Are the registration obligations proposed by the AER efficient and do they provide greater certainty and transparency for consumers and businesses? Are there more preferable arrangements?
- (c) Are the notification arrangements between retailers and distributors sufficient to achieve the requirement of keeping registers up to date?
- (d) As a retailer or distributor, what additional costs would you incur to comply with the changes proposed to the registration process?
- (e) Does the information pack proposed in the rule change request provide the appropriate information?

Response:

- (a) 2442 premises are currently registered as requiring life support; compared to 1835 in 2015 and 963 in 2010
- (b) The registration obligations by the AER provide sufficient certainty and transparency for consumers and businesses. However, JEN considers it is more efficient to assign registration and deregistration of customers with life support equipment exclusively to retailers because rarely do customers register through distributors.
- (c) Notification arrangements between retailers and distributors are sufficient to keep registers up to date.
- (d) The additional costs to comply with the changes to the registration process would be insignificant for JEN due to the very low registration requests.
- (e) Yes. The information pack proposed in the rule change request provide the appropriate level information.

Question 3: The medical confirmation process

- (a) Is the medical confirmation process proposed in the rule change request appropriate for consumers, retailers and distributors?
- (b) As a retailer or distributor, what additional costs would you incur to comply with the changes proposed to the registration process?

Response:

- (a) JEN considers the medical confirmation process is appropriate.
- (b) Customers with life support equipment seldom register through JEN. Consequently the additional costs would be insignificant for JEN.

Question 4: The deregistration process

- (a) Does a voluntary process for deregistration strike the right balance between the needs of customers and businesses?
- (b) Should only the retailer or distributor who was originally notified by the customer when they registered be in control of the deregistration process?
- (c) As a retailer or distributor, what additional costs would you incur to comply with the changes proposed to the deregistration process?

Response:

- (a) AER's propose deregistration process strike the right balance between needs of customers and businesses, but it does not compel the businesses to take the final step of deregistration where customers have not provided medical confirmation. Instead the prescribed process adopts a soft option of giving the business a choice to deregister the customer. JEN suggests 'may' be replaced with 'must' in Rule 125 (4), (7)(b), (8)(b), (9)(b)(ii), and (10)(b)(ii).
- (b) JEN believes customers very rarely register through distributors – at least that is JEN's experience. Accordingly, we believe the retailers should be the party responsible for registration and deregistration of customers with life support equipment.
- (c) As noted above, rarely do customers register through distributors. Out of the 2442 customers, less than 5 customers were registered by JEN.