

Project Ref Code: RRC0009

8 November 2017

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

via AEMC's website, www.aemc.gov.au

Dear Mr Pierce,

National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017

SA Power Networks welcomes the opportunity to provide a submission in response to the *National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017* Draft Rule Determination of the Australian Energy Market Commission (**AEMC**).

On 28 February 2017, the Australian Energy Regulator (**AER**) submitted a rule change request to the AEMC seeking to amend the National Energy Retail Rules (**Retail Rules**) to modify the obligations of retailers and distributors when a person residing at a customer's premises requires life support equipment.

Summary

SA Power Networks is still of the view that a prerequisite for registering a premises for life support is that the customer has provided a medical practitioner certification advising that a person permanently¹ residing at the premises requires life support equipment to maintain their life. If the AEMC continues with its current position of permitting the registration of a premises prior to the customer providing medical certification, SA Power Networks submits that the premises must be de-registered after a specified period (eg 65 business days²), if the customer does not subsequently provide that medical certification after suitable written follow up requests.

SA Power Networks supports some aspects of the Draft Rule which are:

- the registration process owner is obligated to follow due process (outlined in the Draft Retail Rule) where they have registered the life support customer without medical confirmation, to

¹ There have been requests from customer to register a premises where the life support person only temporary resides at a premises (eg holiday house).

² 65 business days is equivalent to at least three months

provide the customer with a medical certification form for completion by a medical practitioner and to give customers several reminders prior to deregistering the premises; and

- to deregister the premises by either the customer’s retailer or distributor where they have received a written request or written confirmation that a person requiring life support equipment no longer resides at the premises.

SA Power Networks does not support:

- the use of days (calendar days) to complete obligations under the rules, as it is difficult and expensive to build business processes around calendar days. Most other obligations in the National Energy Retail Rules specify business days. Consequently, the obligations to provide information to customers and for customers to provide a medical confirmation should be specified in business days; nor
- allowing the registration process owner any discretion not to deregister a premises for life support equipment, where the customer has not provided medical certification, after a specified period, where the registration process owner follows due process for that deregistration. In these circumstances, deregistration must be mandatory to ensure that only premises where a bona fide life support person resides remain registered.

SA Power Networks supports the Energy Networks Australia (ENA) submission on this Draft Rule Determination.

Reason for Retail Rule change

The AEMC stated that its proposed rule changes³ aim to:

- *enable a customer to receive the protections of the life support rules from the time they inform their retailer or distributor until they are deregistered, either because they:*
 - *do not provide medical confirmation within a prescribed time; or*
 - *inform the retailer or distributor that life support equipment is no longer required.*²³
- *require the registration process owner (the retailer or distributor contacted by the customer) to:*
 - *notify customers of their rights and obligations under the life support rules*
 - *follow a prescribed process for obtaining confirmation of a customer’s eligibility to be on the life support register*
 - *follow a prescribed process if the registration process owner chooses to remove a customer from the register.*

Further, the AEMC advises that the draft rule will “...improve the accuracy of the life support registers⁴.”

Accuracy of the life support register

The main causes of the current inaccuracy of the life support register in South Australia is because some retailers:

³ AEMC 2017, Strengthening protection for customers requiring life support equipment, Rule Determination, 26 September 2017, Sydney Section 1.4 pgs 6 & 7.

⁴ AEMC 2017, Strengthening protection for customers requiring life support equipment, Rule Determination, 26 September 2017, Sydney Summary pg 1.



- register a premises for life support without first receiving written medical certification that a person residing at the premises requires life support equipment;
- do not follow up the customer to seek and obtain medical certification;
- do not deregister premises when requested by the customer, even when advised in writing that a person requiring life support equipment no longer resides at the premises;
- do not deregister premises in fear of being ‘fined’ by the AER for incorrectly deregistering premises, despite not receiving medical certification as to the veracity of the requirement for life support equipment; and
- register premises for life support where the customer has not requested the registration.

In addition, retailers do not deregister premises where advised by SA Power Networks that we have received written advice from the customer that a person requiring life support equipment no longer resides at the premises.

The above practices have led to a significant increase in the number of customers registered (2,000 registered as at February 2012 compared with 7,000 currently registered). SA Power Networks writes annually to life support customers in preparation for the fire danger season to ensure customers have a backup plan to ensure their safety in the event of an unplanned outage or emergency disconnection.

As part of this annual exercise, we request that customers update their details (eg contact information, life support equipment etc). With our most recent annual mail out, 78% of life support customers responded, with 22% of those responses advising that the premises should be deregistered as there was no longer a person residing at the premises who required life support equipment to maintain their life. Some of the responses received advised that they had previously requested removal from the life support register.

The veracity of the life support register is now questionable. We have been advised by many customers that they are registered because they:

- “need to charge their mobile phone”;
- “need their fridge and TV to work”; and
- “were registered for a medi-alert device”, a device used to call for assistance if an emergency occurs.

The equipment listed above is either for comfort or just in case something happens, it is not required to maintain a person’s life.

The mandatory requirement of the current Retail Rules is that for a premises to be registered for life support, a customer must provide written medical certification that a person residing at the premises requires life support equipment to maintain their life. The requirement to provide medical certification must be retained in the amended Retail Rules, as this will significantly improve the accuracy of the life support register. In addition, it must be mandatory to remove a premises where a customer requests such removal.

SA Power Networks considers that it must be mandatory to deregister a customer’s premises where a customer:

- does not provide, within the specified time frame, after repeated reminders, written medical confirmation that a person residing at the premises requires life support equipment to sustain their life; and



- requests the deregistration in writing or verbally where a retailer can verify that they are actually speaking with the customer.

Process for providing information to life support customers and deregistering a premises.

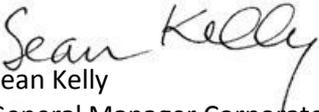
SA Power Networks considers that all timeframes associated with the registration process, provision of information to life support customers and the deregistration process should be specified in business days not in calendar days. This would align with most other obligations in the Retail Rules where business days are used to specify a time period to complete an obligation. The use of business days will enable retailers and distributors to develop robust and efficient practices and procedures to comply with their obligations.

The AEMC proposes five days to provide information to customers once they register. Depending on which day the request is made, this means that the registration process owner (retailer or distributor) could have one to five business days to provide the information to the customer. This could result in a non-compliance, due to the significant variation in the number of business days to provide the information to the customer.

SA Power Networks supports that the Draft Retail Rule only requires the registration process owner (and not both the retailer and distributor) to write to the customer providing both information from the retailer and distributor, and providing and requesting medical certification if required. This minimises the costs of communication with life support customers and ensures that all the relevant life support information is contained in the one package.

If you have any queries or require further information, please contact Mr Grant Cox on 08 8404 5012.

Yours sincerely


Sean Kelly
General Manager Corporate Strategy

