



2 July 2020

Ms. Kate Symons  
Chair  
Essential Services Commission  
Level 37, 2 Lonsdale Street  
Melbourne Victoria 3000

Electronically: <https://engage.vic.gov.au/electricity-distribution-code-review>

Dear Ms. Symons

**RE: Electricity Distribution Code Review (2019)**

Origin Energy appreciates the opportunity to provide a submission in response to the Essential Services Commission's (ESC) Electricity Distribution Code Review.

Origin supports the intent to support distribution businesses to conduct their operations in a manner more aligned with customer expectations. We agree that requiring retailers to share certain customer information with distribution businesses would allow them to modernise their communication methods especially around notifying customers about planned outages. However, we believe minor amendments are required to eliminate potential inconsistencies with other regulatory instruments.

Origin's views on these issues are set out below.

*Maintaining a Consistent Regulatory Framework*

Origin believes the Electricity Distribution Code (EDC) ought to relate specifically to distribution network businesses. Similarly, all retailer obligations should be contained within the Energy Retail Code (ERC). Placing retailer regulatory obligations in both the EDC and ERC increases the burden on retailer compliance teams and makes it more likely that these obligations will be unintentionally overlooked when future changes are made.

Furthermore, it creates a risk that when one Code is updated there must be a commensurate change to avoid potentially conflicting regulatory obligations.

*Draft Decision 1: Timing of information provision*

The proposed changes to section 2.7 of the EDC will require retailers to collect customer information, including electronic and other contact details, and provide it to distribution businesses. While we support this measure as it will assist distribution businesses modernise the way they notify customers of planned outages, conditions nevertheless need to be placed on the management and use of this information by the distribution business.

Specifically, the proposed changes do not limit the distribution businesses from using this information beyond the purpose it was provided. Origin considers that the EDC ought to make explicit that the distribution businesses are not to utilise contact details provided by retailers under section 7.6 of the EDC for any other purpose than to comply with their regulatory obligations with respect to planned outages under the EDC.

*Draft Decision 1: Timing of information provision*

Proposed changes to section 2.7.3 of the EDC insert timing requirements for retailers to provide customer information to distribution businesses.

The existing MSATS B2B Customer and Site Details Notifications Process also sets out the frequency with which *Customer Details Notifications* are entered into MSATS by the retailer<sup>1</sup>. While the proposed changes to the EDC are consistent with the current MSATS Procedures, Origin considers duplicative requirements in different instruments can create unintended inconsistencies in a retailer's compliance obligations. To avoid a situation where the different instruments are updated at separate times, we consider it would be more practical to require that the retailer comply with the timeframes set out in the Procedures.

*Draft Decision 1: Distributors to obtain and record the customer's explicit informed consent*

At stakeholder workshops conducted after the publication of the draft decision, a number of stakeholders argued that retailers should collect explicit informed consent (EIC) on behalf of distribution businesses. Origin does not support this suggestion.

If a retailer were required to collect EIC on behalf of a distribution businesses, depending on the reason, this could mean a retailer may need to contact every customer. It would also require a retailer to create and maintain a separate record of the EIC obtained for distribution business needs. We believe this would incur significant administrative burden and cost to perform. It is not reasonable to expect retailers to perform a function and incur a material increase in costs on behalf of the distribution business without the distribution businesses compensating retailers for the service.

Origin supports the ESC's decision to align the definition and record keeping requirements associated with EIC to those of retailers. Under 3F of the ERC retailers must obtain the customers' EIC before giving notices and other documents electronically. Origin considers that requiring the distribution business to obtain EIC for the purpose of providing notice electronically is consistent with existing consumer protections.

*Draft Decision 13: Timeframes for application of Guaranteed Service Level (GSL) Payments*

The draft EDC updates the framework for the provision of GSL payments to customers impacted by below standard supply or service. Distributors will be required to assess customer eligibility on a quarterly basis and make payments within 60 business days. This gives the distribution business up to five months to identify the customer is eligible for compensation for poor service, and then provide the GSL payment to the retailer, in order that it reach the customer.

The draft decision states that where a GSL is provided, the retailer must apply the payment to the customer's account within two business days. Given the requirement to provide a GSL is a reflection of below standard service from the distribution business and may take anywhere up to five months to identify the affected customer, providing two business days to the retailer to apply it to a customer account where the customer will remain unaware of it until they are next invoiced seems unreasonable.

Origin acknowledges it is important for customers to receive their GSL payments in a timely manner. However, two business days is an exceptionally short timeframe. Origin suggests a more appropriate timeframe would be ten business days from being provided with the notification from the distribution business that a GSL is applicable. We believe the existing retailer obligations regarding overcharging set an appropriate precedent regarding when the customer is made aware of the fact that there are monies owed to them.<sup>2</sup>

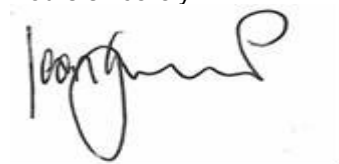
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<sup>1</sup> B2B Procedure: Customer and Site Details Notification Process, AEMO Markets, Version 3.3 p.15

<sup>2</sup> Energy Retail Code, Clause 31 *Overcharging* Version 15 p.40

Should you have any questions regarding this submission, please contact Courtney Markham in the first instance on [REDACTED] and or [REDACTED]

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sean Greenup', is written over a light grey rectangular background.

Sean Greenup  
Group Manager Regulatory Policy  
[sean.greenup@originenergy.com.au](mailto:sean.greenup@originenergy.com.au)