

Utilities (Industry Code) Approval 2006 (No 1)

Disallowable instrument DI2006–182

made under the

Utilities Act 2000, section 58

1 Name of instrument

This instrument is the *Utilities (Industry Code) Approval 2006 (No 1)*.

2 Commencement

This instrument commences on the day after notification.

3 Approval of Industry Code

The Commission has approved the Prepayment Meter System Code appended to this instrument.

4 Public access to documents

Copies of the Prepayment Meter System Code are available for inspection by members of the public between 9:00 am and 5:00 pm, Monday to Friday, at the Commission's offices at Level 7, Eclipse House, 197 London Circuit, Civic ACT, and on the Commission's website (www.icrc.act.gov.au). Copies of these documents can be made at the Commission's offices. Electronic copies are available on request. No charge will apply.

Paul Baxter
Senior Commissioner
for the Independent Competition and Regulatory Commission
20 July 2006



ICRC

independent competition and regulatory commission

Prepayment Meter System Code

July 2006

TABLE OF CONTENTS

Page

INTRODUCTION.....	2
PART 1: PRELIMINARY	1
1 PURPOSE OF THIS CODE.....	1
2 OTHER RIGHTS	1
PART 2: PROTECTION OF CUSTOMERS AND CONSUMERS.....	2
3 APPLICATION	2
4 AGREEMENT TO SUPPLY THROUGH A PPM	3
4.1 Obligation	3
4.2 Informed Consent	3
4.3 Information necessary for informed consent.....	3
4.4 Provision of PPM information	4
4.5 When information to be provided	4
4.6 Negotiated customer contract minimum terms and conditions.....	5
4.7 Information to accompany negotiated customer contract.....	5
4.8 Life Support	6
4.9 Separate charging and recovery	6
PART 3: PREPAYMENT METER SYSTEM REQUIREMENTS	8
5 PREPAYMENT METER SYSTEM REQUIREMENTS	8
6 CUSTOMER EXPERIENCING FINANCIAL DIFFICULTIES	9
7 SYSTEM TESTING.....	10
8 OVERCHARGING	10
9 UNDERCHARGING	11
10 ILLEGAL ENERGY USE	11
11 REVERSION AND TRANSFER.....	11
11.1 Customer termination or request for removal	11
11.2 Different retailer	12
DICTIONARY	13
GLOSSARY AND ABBREVIATIONS.....	14

INTRODUCTION

- A. The Prepayment Meter System Code (**Code**) is an industry code developed under part 4 of the *Utilities Act 2000* (ACT) (**Utilities Act**). The Code outlines the basic rights of customers, consumers and utilities with respect to the provision of prepayment meter (**PPM**) systems that are not otherwise covered by the Consumer Protection Code (**CP Code**).
- B. This Code only contemplates the use of a PPM system for the provision of electricity and gas to small customers. Utilities are obliged to give effect to these rights primarily through negotiated customer contracts.
- C. The Code also deals with the general conduct of utilities in the delivery of PPM systems. The Code applies to all utilities licensed under the Utilities Act to provide utility services to consumers.
- D. The Code is intended to operate in conjunction with other Commonwealth and ACT law. To the extent that this Code is inconsistent with any such law, that law will take precedence.

PART 1: PRELIMINARY

1 PURPOSE OF THIS CODE

[Clauses 1(1) and 1(2) of the CP Code do not apply]

The purpose of this Code is to:

- (1) outline the basic rights of a consumer in relation to:
 - a) connection to, and disconnection from, a utility's PPM system;
 - b) the supply of a utility service by a PPM system; and
 - c) access to a PPM system product and service information;
- (2) set out the circumstances in which a utility can install a utility service via a PPM system; and
- (3) outline particular obligations that a utility must meet in dealing with a consumer;

2 OTHER RIGHTS

[This clause 2 replaces clause 2 of the CP Code]

- (1) This Code supplements and shall not limit any rights a consumer may have under the Utilities Act, the *Fair Trading Act 1992* (ACT), the *Door-to-Door*

Trading Act 1991 (ACT), the *Trade Practices Act 1974 (Cth)* or any other applicable law.

- (2) Subject to clause 2.3 of this Code, the provisions of the CP Code relevant to utilities providing services to small customers pursuant to negotiated customer contracts operate in conjunction with this Code.
- (3) The provisions of the CP Code listed in this provision and otherwise expressly identified in this Code do not apply for the purposes of this Code:
 - (a) Clauses 7.1 and 7.2 (utility to provide information) – these have been replaced in part by clause 4.3 and subclause 4.7(2) of this Code
 - (b) subclause 9.2(1)(e) (utility rights in relation to disconnection for non-payment of customer accounts) – this is not relevant to the function of PPMs
 - (c) Part 10 (Special Needs) – this is replaced by clause 4.8
 - (d) clause 13 (customer accounts) – this is not relevant to the function of PPMs
 - (e) clause 14 (interest and other charges) – this is not relevant to the function of PPMs
 - (f) clause 23 (disconnection of supply) – the disconnection process set out is not relevant to the function of PPMs
 - (g) clause 24 (cooling off) – this is replaced by clause 4.6
 - (h) clause 27 (security deposit) – this is not relevant to the function of PPMs
 - (i) subclause 30.3(1)(a) (contract information to be provided by marketers) – most of the detail set out in that subclause is not relevant to the function of PPMs
 - (j) clause 33 (new occupants) – this is not relevant to the function of PPMs
- (4) Except where this Code expressly states otherwise, the provisions of the CP Code prevail over those of this Code in the event of any inconsistency.

PART 2: PROTECTION OF CUSTOMERS AND CONSUMERS

3 APPLICATION

- (1) Utilities providing services to large non-franchise customers may agree with those customers' terms and conditions other than those specified in this Part.
- (2) A utility must only provide a utility service via a PPM system to a small customer in accordance with a negotiated customer contract.

4 AGREEMENT TO SUPPLY THROUGH A PPM

4.1 Obligations

- (1) A negotiated customer contract with a small customer must give effect to this Part of the Code.
- (2) The provisions in this part are to be considered as a minimum only. Nothing in this Part of the Code is to be taken to prevent a utility including provisions in a negotiated customer contract with a small customer that are in addition to, and not inconsistent with, matters covered by this Part.
- (3) A utility must not require a customer to install or maintain the installation of a PPM system.

4.2 Informed Consent

- (1) A utility must obtain the explicit informed consent of a small customer to enter into a negotiated customer contract.
- (2) The explicit informed consent of a small customer can be obtained only after timely, accurate, verifiable and truthful information about the negotiated customer contract has been provided to the small customer in accordance with this Code.

4.3 Information necessary for informed consent

- (1) The minimum information that a utility must provide to small customers to enable small customers to give their informed consent must include:the date of commencement of the negotiated customer contract;
- (2) the fees, charges and tariffs that will be applicable for the retailing of energy under the negotiated customer contract;
- (3) all costs to the small customer associated with entering into the negotiated customer contract including fees, charges and tariffs;
- (4) the method by which the small customer will receive any energy concessions to which they are entitled;
- (5) the methods by which the small customer can make payments to the PPM system account and the locations of payment centres or recharge facilities (if relevant);
- (6) the amount of emergency credit to be provided in the PPM system;
- (7) connection and installation costs;

- (8) termination and PPM system removal or reversion charges which may apply, the circumstances in which such charges will apply and the method of calculation of those charges;
- (9) dispute resolution options which are available to small customers;
- (10) details of the right conferred on the small customer to rescind the negotiated customer contract;
- (11) details of the trial period at or before the expiry of which the small customer may terminate the contract;
- (12) contact details for the utility's small customer enquiry, complaints, faults and emergency service; and
- (13) how a small customer can have a PPM system removed at no cost when they move as new occupants into premises where a PPM system is already installed.

4.4 Provision of PPM Information

- (1) A utility must, at no charge, provide the following information on the use of the PPM system to a small customer who intends to enter, or has entered, into a negotiated customer contract:
 - a) instructions on how to operate the PPM system which are:
 - I. expressed in clear, simple and concise language, and
 - II. in a format which makes it easy for a person not familiar with the operation of a PPM system to understand;
- (2) If requested by the small customer, the utility must use its best endeavours to provide the operating instructions in a language other than English requested by the small customer.
- (3) A utility must, at a minimum, place prominently on the PPM system contact details, to which a small customer can make complaints or enquiries and/or to report faults and emergencies relating to the PPM, and of the Essential Services Consumer Council (**ESCC**).

4.5 When information to be provided

A utility must provide the information required under clause 4.3 and 4.4 within five business days of request and prior to agreeing a negotiated customer contract with a small customer, where practicable.

4.6 Negotiated Customer Contract Minimum Terms and Conditions

In addition to the information requirements specified in clause 4.3 and clause 4.4 a utility must ensure that the terms and conditions of each negotiated customer contract it enters into with a small customer are not inconsistent with, or include, the following provisions:

- (1) a negotiated customer contract must provide for a minimum three month period at or before the expiry of which the small customer may terminate the negotiated customer contract with no penalty, exit or termination charges or meter removal or reversion charges (the trial period);
- (2) where a small customer exercises the termination right under clause (a), the utility must make immediate arrangements for:
 - (a) the removal or rendering non-operational of the PPM system at no cost to the small customer,
 - (b) the installation of a standard meter or the reversion of the PPM system to a standard operating mode so that the PPM system operates as a standard meter at no cost to the small customer; and
 - (c) provide information about and a general description of the market contract options available to the small customer.

4.7 Information to accompany negotiated customer contract

- (1) A utility must provide the following information to all small customers who have agreed a negotiated customer contract to be supplied energy through a PPM:
 - a) what a small customer has to do to obtain a refund of any credit remaining in the PPM system account when the negotiated customer contract is terminated or otherwise ends;
 - b) how a small customer can access the emergency credit facility of the PPM system;
 - c) how and/or where a small customer can make payments to, or obtain credit for, the PPM system;
 - d) the utility's telephone number(s):
 - I. to which a small customer can make complaints or enquiries and/or to report faults and emergencies; and
 - II. through which a small customer can obtain their national metering identifier and checksum and obtain information necessary for a small customer to calculate their greenhouse gas emissions.
 - e) the availability of interpreter services; and

- f) information on the ESCC hardship role and contact details of the ESCC.
- (2) On request and within a reasonable period of time, a utility must, at no charge, give a small customer the following information relating to the small customer's supply address:
- a) total energy consumption;
 - b) average daily consumption; and
 - c) average daily cost of consumption for the previous two years or since the commencement of the negotiated customer contract (whichever is the shorter) divided into quarterly segments, where practicable.

4.8 Life Support

- (1) If a customer or consumer provides evidence from a registered medical practitioner or a hospital that a person residing at a customer or consumer's premises requires a life support machine, the operation of which requires a utility service, the relevant utility must record those premises as a life support machine supply address (**supply address**).
- (2) A utility must not install a PPM system into premises that has been registered as a supply address or otherwise where a customer or consumer provides evidence from a registered medical practitioner or a hospital that a person residing at a customer or consumer's premises requires a life support machine.
- (3) If a small customer notifies the utility that his or her premises has been registered as a supply address, or otherwise a customer or consumer provides evidence from a registered medical practitioner or a hospital that a person residing at a customer or consumer's premises requires a life support machine, the utility must make immediate arrangements for:
- a) the removal or rendering non-operational of the PPM system at no cost to the small customer,
 - b) the installation of a standard meter or the reversion of the PPM system to a standard operating mode so that the PPM system operates as a standard meter at no cost to the small customer; and
 - c) provide information about, and a general description of, the contract options available to the small customer.

4.9 Separate charging and recovery of debt

- (1) Where a utility provides goods and services, other than the supply of electricity or gas or goods and/or services directly related to such supply, the utility must bill the small customer for those goods and services separately and must not recover any payment for those goods and services under the negotiated customer contract for

the PPM service or under any other contract or agreement that adjusts the PPM charges to recover the amount.

- (2) Subject to this Code, where a small customer owes a debt to a utility, other than of a kind referred to in clause 10, the utility must not recover any repayments of the debt under the negotiated customer contract or under any other contract or agreement that adjusts the PPM charges to recover the amount.

PART 3: PREPAYMENT METER SYSTEM REQUIREMENTS

5. Prepayment Meter System Requirements

A utility offering a PPM system must ensure that the system conforms to the following minimum standards:

- (1) the PPM system displays:
 - a) the financial balance of the PPM system, accurate as to within \$1.00 of the actual balance;
 - b) whether the PPM system is operating in normal, credit, or emergency credit mode; and
 - c) current consumption information (in both kW and \$AUD).
- (2) the PPM system does not disconnect supply to the small customer other than between the hours of 10.00am and 3.00pm on a Monday to Friday and a utility will endeavour to assist customers who contact the utility concerned that they may disconnect on a public holiday and to that end, the utility will agree with the Commission in advance a procedure for providing such assistance.
- (3) where supply has been self-disconnected through the means of the PPM system, the PPM system is capable of recommencing supply as soon as information is communicated to the PPM system that a payment to the account has been made;
- (4) the PPM system must provide an amount of emergency credit not less than \$10.
- (5) the PPM system must be capable of identifying to the utility the number of instances on which a small customer has self-disconnected and the duration of the disconnections.
- (6) the PPM system and associated account accepts payment:
 - a) via cash, at a minimum of two locations which are readily accessible to the small customer, one of which is open between 9.00am and 6.00pm on any day of the week (including Saturdays, Sundays and public holidays (excluding Christmas Day)); or
 - b) by a 24-hour, 7 days a week telephone service, using credit card, debit card, electronic funds transfer or any other telephone payment method which is acceptable to the utility and agreed to by the small customer; or
 - c) by a 24-hour 7 days a week electronic or other payment method which is acceptable to the utility and agreed to by the small customer; or
 - d) by any other method approved by the Commission where the utility's PPM technology is unable to meet any of the payment requirements listed;

- e) by any method approved by the Commission where the customer is unable in an emergency to access or use the method of payment normally prescribed for that PPM system.
- (7) At least 70% of a customer's payment to a PPM system must be applied to supply of the utility service. Any payment in excess of this amount may be applied by the utility to repayment of the emergency credit and other amounts, which may be collected from a customer in accordance with this Code.
- (8) Where a utility is unable to meet the requirements specified in clause 5.2, it must agree with the Commission an alternative process to allocating payments made by small customers who are using or have used their emergency credit prior to the utility offering its PPM system to customers in the Australian Capital Territory.

6. Customers Experiencing Financial Difficulties

A utility offering a PPM system must ensure that they have in place sufficient customer safeguards that provide the following:

- (1) where a small customer informs the utility in writing or by telephone that the small customer is experiencing payment difficulties, or the utility's PPM system identifies that a small customer has self-disconnected three or more times in any three-month period for longer than 240 minutes on each occasion, the utility must contact the small customer as soon as is reasonably practicable to:
 - a) offer to make immediate arrangements for:
 - I. the removal or rendering non-operational of the PPM system; and
 - II. the installation of a standard meter or the reversion of the PPM system to a standard operating mode so that the PPM system operates as a standard meter at no cost to the small customer.
 - b) provide information about, and a general description of, the standing alternative contract options available to the small customer,
 - c) provide information about and referral to customer financial assistance programmes, and
 - d) provide information on independent financial and other relevant counselling services.
- (2) Where a utility is unable to meet the safeguards specified in clause 6.1, it must agree with the Commission an alternative process to identify small customers experiencing financial hardship prior to the utility offering its PPM system to customers in the Australian Capital Territory.
- (3) A utility supplying energy to small customers through PPMs must provide to the Commission quarterly reports with the following details:
 - a) the number of the utility's small customers that use PPMs;

- b) the number of the utility's small customers who have self-disconnected such that the requirements of clause 6.1, or those approved under clause 6.2, are met;
- c) the number of PPM systems removed or rendered non-operational during the trial period; and
- d) the number of PPM systems removed after the trial period as a result of small customers facing financial difficulties.

7. System Testing

- (1) Where a small customer requests that the whole or part of the PPM system be checked or tested, the utility must make immediate arrangements for one or more of the following:
 - a) a check of the metering data;
 - b) a check or test of the PPM system; or
 - c) a check or test by the responsible person for the meter installation at the small customer's connection point.
- (2) If requested by a utility, the small customer must pay the utility in advance the utility's reasonable charge for any checks or tests undertaken in accordance with this clause.
- (3) If a PPM system is found to be inaccurate or not operating correctly following a check or test undertaken in accordance with this clause, the utility must:
 - (a) immediately repair or replace the faulty PPM;
 - (b) correct any overcharging or undercharging in accordance with clauses 8 and 9; and
 - (c) refund the small customer any charge that was applied for the testing to occur.

8. Overcharging

Where a small customer has been overcharged as a result of an act or omission of a utility, the utility must inform the small customer of that overcharging within 10 business days of the utility becoming aware of that overcharging and:

- (1) ask the small customer for instructions as to whether the amount should be:
 - (a) repaid to the small customer, or
 - (b) added to the balance of the PPM system account.

- (2) where the utility asks for instructions from a small customer under 8 (1) and no instructions are provided by the small customer within 20 business days, the utility must add to the balance of the PPM system account the amount overcharged to the small customer.

9. Undercharging

- (1) Where a utility has undercharged a small customer as a result of an act or omission of the utility, the utility must inform the small customer within 10 business days of becoming aware of that undercharging and at that time indicate the amount undercharged and whether or not it proposes to recover from the small customer the amount undercharged.
- (2) Where a utility proposes to recover an amount undercharged as a result of a utility's error, the utility must:
 - (a) limit the amount to be recovered to the amount undercharged in the 12 months prior to informing the small customer of the undercharging;
 - (b) provide details and explanation of the amount to be recovered;
 - (c) not charge the small customer any interest on the amount;
 - (d) offer the small customer time to pay the amount undercharged, by agreed instalments, over a period nominated by the small customer being no longer than the period during which the undercharging occurred (if the undercharging occurred over a period of less than 12 months) or in any other case 12 months.

10. Illegal energy use

Notwithstanding clause 9, if a utility has undercharged or not charged a small customer as a result of the small customer's fraud or intentional consumption of gas or electricity otherwise than in accordance with the negotiated customer contract, the utility may estimate the consumption for which the small customer has not paid and either:

- (1) bill the small customer for all of the unpaid amount, or
- (2) make an agreed adjustment to the charges in the PPM system to recover the unpaid amount.

11. Reversion And Transfer

11.1 Customer termination or request for removal

- (1) If a small customer while continuing to reside at the same premises terminates the negotiated customer contract or requests the removal of the PPM system from

that premises otherwise than in accordance with clause 4.8 or clause 6, the utility must make immediate arrangements for:

- a) the removal or rendering non-operational of the PPM system;
 - b) the installation of a standard meter or the reversion of the PPM system to a standard operating mode so that the PPM system operates as a standard meter; and
 - c) the provision of information about, and a general description of, the market contract options available to the small customer.
- (2) Subject to the provisions of this Code relating to the mandatory trial period, life support systems, financial difficulty, a utility may recover fair and reasonable termination or exit charges and meter removal or reversion charges from a small customer who was a party to a negotiated customer contract for the PPM system, if permitted to do so by the negotiated customer contract and if the termination occurs after the trial period has elapsed.

11.2 Different retailer

- (1) A utility that is financially responsible to pay for electricity or gas used at premises where a PPM system is installed must, if requested by a different utility that has entered into a customer contract with a small customer at the premises at which the PPM system is installed, make immediate arrangements for:
- a) the removal or rendering non-operational of the PPM system at no cost to the different utility; or
 - b) the installation of a standard meter or the reversion of the PPM system to a standard operating mode so that the PPM system operates as a standard meter at not cost to the different utility.
- (3) A utility may recover from a small customer who was a party to a negotiated customer contract for the PPM system the fair and reasonable costs incurred pursuant to clause 11.2(1) if permitted to do so by the negotiated customer contract and if the termination occurs after the trial period has elapsed.

DICTIONARY

Words used in this Code and defined in the Utilities Act or the CP Code, have the same meaning as defined in the Utilities Act or the CP Code unless expressly stated otherwise.

Consumer Protection Code is an industry code developed under Part 4 of the Utilities Act that outlines the basic rights of customers, consumers and utilities with respect to access to, and provision of, utility services.

connection point means the agreed point of connection between a small customer's electricity installation and the distribution network.

explicit informed consent means the consent provided by a small customer in accordance with the relevant provisions of the CP Code.

prepayment meter system means a device, componentry, software or other mechanism associated with a metering installation type 5M, metering installation type 5R or a standard meter at a small customer's connection point which operates to permit the flow of energy through the meter when activated by a card, code or some other method and PPM system means the same.

public holiday means a holiday that is a public holiday in the ACT.

self-disconnected means the interruption to supply because a PPM system has no credit available and includes an interruption to supply because the PPM system has no emergency credit available.

small customer has the same meaning as that given to the term 'small non-franchise customer' in the Consumer Protection Code.

standard meter means a metering installation of the type that would ordinarily be installed by the responsible person at the small customer's connection point.

trial period has the meaning given to that term in clause 4.6.1(a) of this Code.

GLOSSARY AND ABBREVIATIONS

Code	The Prepayment Meter System Code approved by the Commission pursuant to Part 4 of the Utilities Act
Commission	Independent Competition and Regulatory Commission
CP Code	Consumer Protection Code
ESCC	Essential Services Consumer Council
PPMs	prepayment meters
Utilities Act	<i>Utilities Act 2000</i> (ACT)