

OFFICIAL



Gas

Code



# Reticulated LPG Industry Code

Version: RLIC/02

July 2022

Consultation draft

OFFICIAL

**Enquiries concerning this Code should be addressed to:**

Essential Services Commission  
GPO Box 2605  
ADELAIDE SA 5001

Telephone: (08) 8463 4444  
Freecall: 1800 633 592 (SA and mobiles only)  
E-mail: [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au)  
Web: [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)

## Amendment record

Issue number	Commencement date	Pages
RLIC/01	1 January 2014	23
RLIC/02	1 July 2022	26

## Table of contents

1	PRELIMINARY .....	1
1.1	Title.....	1
1.2	Authority.....	1
1.3	Commencement.....	1
1.4	Definitions and interpretation .....	1
1.5	Application .....	1
1.6	Obtaining a copy of this industry code.....	1
1.7	Other Acts, industry codes and guidelines .....	1
2	GENERAL OBLIGATIONS .....	3
2.1	Annual return.....	3
2.2	Enquiries, complaints and dispute resolution.....	3
2.3	Customer communications.....	4
2.4	Standard terms and conditions .....	5
2.5	Contractual information disclosure .....	5
2.6	Price disclosure.....	6
2.7	Force majeure .....	6
2.8	Illegal use of gas .....	7
3	SUPPLY OBLIGATIONS .....	8
3.1	Quality of supply .....	8
3.2	Maintenance of supply.....	8
3.3	Connection policy.....	9
3.4	Connections.....	9
4	METERING OBLIGATIONS.....	11
4.1	Metering information exchange .....	11
4.2	Metering plans and accuracy.....	11
4.3	Meter reading .....	12
5	BILLING AND PAYMENT OBLIGATIONS .....	13
5.1	Billing.....	13
5.2	Security deposits and alternatives.....	14
5.3	Where a tariff or tariff type has changed .....	16
5.4	Billing disputes.....	17
5.5	Undercharging.....	18
5.6	Overcharging .....	18
5.7	Payment methods.....	18
5.8	Payment difficulties .....	18
5.9	Long absence or illness.....	19

5.10	Paying by instalments .....	19
6	DISCONNECTION AND RECONNECTION OBLIGATIONS .....	20
6.1	Disconnection of a supply address.....	20
6.2	Obligations prior to disconnection .....	20
6.3	When the licensee may not disconnect .....	21
6.4	Disconnections for emergencies and safety .....	21
6.5	Disconnections by the distributor .....	22
6.6	Reconnection after disconnection .....	22
	Schedule 1 – Definitions .....	24
	Schedule 2 – Interpretation .....	26

# 1 PRELIMINARY

## 1.1 Title

1.1.1 This industry code is the *Reticulated LPG Industry Code*.

## 1.2 Authority

1.2.1 This Code is made as an industry code pursuant to the powers of the Commission under section 28 of the Essential Services Commission Act 2002.

## 1.3 Commencement

1.3.1 This Code commenced on 1 January 2014.

## 1.4 Definitions and interpretation

1.4.1 Words appearing in bold like **this** are defined in Schedule 1 of this Code.

1.4.2 This industry code must be interpreted in accordance with the rules set out in Schedule 2 of this Code.

## 1.5 Application

1.5.1 This Code contains provisions relating to the sale and supply of reticulated LPG to **small customers**, including:

- (a) connections;
- (b) meter reading;
- (c) billing, payments and instalment plans;
- (d) disconnection and reconnection; and
- (e) dispute resolution.

1.5.2 The persons bound by this industry code are **licensees**.

## 1.6 Obtaining a copy of this industry code

1.6.1 A **licensee** must, when asked by a **small customer**, send to that **small customer** within 10 **business days** a copy of this Code (and any amendments from time to time which materially affect a **small customer's** rights, entitlements or obligations), free of charge for the first request by that **small customer**.

1.6.2 A **licensee** may impose a reasonable charge for subsequent requests by that **small customer**.

## 1.7 Other Acts, industry codes and guidelines

1.7.1 Not all aspects of **licensee's** obligations are regulated by this Code. A **licensee's** obligations, and some aspects of the relationship with a **small customer**, may also be affected by:

- (a) Acts of Parliament and Regulations (including, but not limited to, the Gas Act 1997, Gas Regulations 2012 and the Essential Services Commission Act 2002 (and associated regulations));
- (b) the licence held by the **licensee**; and

- (c) other applicable industry codes and any guidelines or rules made from time to time by the **Commission** or other regulatory body that apply to the **licensee**.

Consultation draft

## 2 GENERAL OBLIGATIONS

### 2.1 Annual return

- 2.1.1 A **licensee** must submit an Annual Return to the **Commission** by 31 August each year in respect of the operations authorised by its licence during the preceding financial year.
- 2.1.2 The Annual Return must include information required from the licensee in accordance with applicable regulatory instruments. contain the following information:
- ~~(a) the names of the officers of the licensee;~~
  - ~~(b) the names of the major shareholders of the licensee;~~
  - ~~(c) in respect of distribution operations, for each distribution system:
    - ~~(i) the length of the reticulated distribution system;~~
    - ~~(ii) number and capacity of other distribution assets;~~
    - ~~(iii) total number of reticulated distribution system interruptions;~~
    - ~~(iv) total number of delivery points;~~
    - ~~(v) total number of LPG quality complaints received;~~~~
  - ~~(d) in respect of retail operations, for each distribution system:
    - ~~(i) total number of small customers by small customer category;~~
    - ~~(ii) total gas sales (TJs) to small customers by small customer category;~~
    - ~~(iii) total gas sales revenue (\$) from small customers by small customer category;~~
    - ~~(iv) the number of small customers disconnected for failure to pay a bill;~~~~
  - ~~(e) in respect of the licensee's compliance with its regulatory obligations, a statement describing in detail:
    - ~~(i) any instances of non-compliance with those regulatory obligations;~~  
~~and~~
    - ~~(ii) measures taken by the licensee to rectify reported noncompliance.~~~~

### 2.2 Enquiries, complaints and dispute resolution

- 2.2.1 A **licensee** must develop and implement procedures for the management and resolution of **customer** enquiries and disputes, in accordance with AS/NZ 10002-2014 (as amended from time to time), which deal with at least the following matters:
- (a) the connection of and supply to a **supply address**;
  - (b) the quality and reliability of **LPG** provided;
  - (c) payment options available;
  - (d) what to do in the case of difficulties in paying bills;

- (e) how to make enquiries or lodge complaints, including response times and methods;
  - (f) the existence and operation of an **Ombudsman Scheme** (where relevant); and
  - (g) the existence and operation of any relevant Government concession, grant or rebate schemes.
- 2.2.2 A **licensee's** procedures under clause 2.2.1 may be reviewed by the **Commission** from time to time.

## 2.3 Customer communications

- 2.3.1 If a **licensee** is required under this industry code to provide or issue any document, bill or notice to a **small customer** and that **small customer** has provided to the **licensee** an electronic mail address and consent for the **licensee** to access that electronic mail address, the **licensee**:
- (a) may send or issue that document, bill or notice to that electronic email address for that purpose unless otherwise required under this industry code;
  - (b) must be capable of receiving notices by electronic mail from that **small customer**; and
  - (c) must cease using that electronic mail address at the **small customer's** request.
- 2.3.2 Unless otherwise specifically required under this industry code, a reference to writing includes electronic mail.

- 2.3.3 A **licensee** must revert to alternative means of communication where the electronic mail address provided by the **small customer** indicates to the **licensee** that the message has failed to deliver to the **small customer**.

## 2.4 Standard terms and conditions

- 2.4.1 This clause 2.4 only applies when the **Commission** has notified the **licensee** in writing of its application to that **licensee**.
- 2.4.2 The **licensee** must, upon the **Commission's** request, develop and submit for the **Commission's** approval a set of standard terms and conditions on which it will sell and supply **LPG** to **small customers**.
- 2.4.3 Upon receipt of the **Commission's** approval of the standard terms and conditions under clause 2.4.2, the **licensee** must publish those terms and conditions in accordance with the requirements of section 34 of the **Gas Act**.
- 2.4.4 The **licensee** must advise the **Commission** before it makes a significant amendment to the standard terms and conditions and must publish the amended terms and conditions in accordance with the requirements of section 34 of the **Gas Act**.
- 2.4.5 The **Commission** may, by notice in writing to the **licensee**, require the **licensee** to amend its standard terms and conditions in accordance with the requirements of section 34 of the **Gas Act**.
- 2.4.6 The **licensee** must, on request by a **small customer** or a potential **small customer**, provide that **small customer** with a copy of the standard terms and conditions, free of charge.
- 2.4.7 If a **small customer** has already received a copy of the standard terms and conditions and requests another copy within a 12-month period, the **licensee** may impose a reasonable charge for providing that copy.

## 2.5 Contractual information disclosure

- 2.5.1 As soon as practicable following the commencement of a contract for the sale and supply of **LPG** to a **small customer** (and in any event no more than 10 **business days** after that date), the **licensee** must provide the **small customer** with a written notice setting out at least the following information:
- (a) the name, postal address, website address, telephone number, facsimile number and e-mail address of the **licensee**;
  - (b) the date of commencement of the contract;
  - (c) the prices, charges, tariffs and service levels that will be applicable in respect of the contract;
  - (d) if the prices, charges, tariffs or service levels are able to be changed by the **licensee** under the contract, the manner in which any such change may be effected;
  - (e) the costs to the **small customer** associated with entering into the contract, outside of the prices, charges and tariffs payable (including any costs associated with the provision of infrastructure such as meters);
  - (f) the type and frequency of bills which will be rendered under the contract;

- (g) the payment methods and options which are available in respect of the contract;
  - (h) the early termination charges (if any) which may apply in the event that the **small customer** terminates a fixed-term contract prior to its expiry date and the method of calculation of those charges;
  - (i) the dispute resolution options which are available to the **small customer**.
- 2.5.2 The **licensee** must provide the information set out in clause 2.5.1 to a potential **small customer** within 10 **business days** of that request.

## 2.6 Price disclosure

- 2.6.1 A **licensee** must publish on its website and provide a copy to a **small customer** or potential **small customer** upon request within 10 **business days** of that request (provided that the **licensee** need only satisfy one request per **small customer** in any twelve month period):
- (a) a list of all prices charged by the **licensee** for the sale and supply of **LPG**; and
  - (b) a list of all fees and charges by the **licensee** associated with the sale and supply of **LPG**,
- to each of its **small customer** classes.
- 2.6.2 A price list published under clause 2.6.1 must be amended within 5 **business days** following any variation of the prices charged by the **licensee** to reflect those changes.

## 2.7 Force majeure

- 2.7.1 If, but for this clause, a **licensee** or **small customer** would breach this code due to the occurrence of a **force majeure event**:
- (a) the obligations of the **licensee** or **small customer**, other than a preexisting obligation to pay money under a customer contract, under this code are suspended to the extent to which they are affected by the **force majeure event** for so long as the **force majeure event** continues; and
  - (b) the **licensee** or the **small customer** must use **best endeavours** to give prompt notice of that fact, including full particulars of the **force majeure event**, an estimate of its likely duration, the obligations affected by it and the extent of its effects on those obligations and the steps taken to remove, overcome or minimise those effects.
- 2.7.2 For the purpose of clause 2.7.1, the **licensee** will be deemed to have given a **small customer** prompt notice if it makes the necessary information available by way of a 24 hour telephone service within 30 minutes of being advised of the **force majeure event** or otherwise as soon as practicable.
- 2.7.3 A **licensee** may agree with a **small customer** that the **licensee** is not to have the benefit of clause 2.7.1 in respect of any **force majeure event**.
- 2.7.4 A **licensee** or **customer** relying on clause 2.7.1 by claiming a **force majeure event** must use **best endeavours** to remove, overcome or minimise the effects of that **force majeure event** as quickly as practicable.

- 2.7.5 Nothing in this clause will require a **licensee** or a **small customer** to settle an industrial dispute which constitutes a **force majeure event** in any manner other than the manner preferred by that **licensee** or **small customer**.

## 2.8 Illegal use of gas

- 2.8.1 Despite clause 5.5, if the **licensee** has undercharged or not charged a **customer** as a result of the **customer's** fraud or intentional consumption of **LPG** otherwise than in accordance with **applicable regulatory instruments**, the **licensee** may estimate the consumption for which the **small customer** has not paid and bill or take debt recovery action for all of that unpaid amount.
- 2.8.2 Clause 5.8 does not apply if, during the course of the **small customer's** dealings with the **licensee**, the **small customer** is convicted of an offence involving fraud or theft of **LPG**.
- 2.8.3 Notwithstanding any of the requirements of clause 6.1, a **licensee** may arrange for the disconnection of a **small customer's supply address** immediately where the **small customer** has used gas illegally.

## 3 SUPPLY OBLIGATIONS

### 3.1 Quality of supply

- 3.1.1 Where the **licensee** operates a **distribution system**, the **licensee** must, in operating the **distribution system**;
- (a) maintain the delivery pressure of **LPG** from the **distribution system** to ensure that:
    - (i) the operating pressure of the **LPG** at the outlet of each meter set for recording a **small customer's** consumption of gas is:
      - (A) 2.75kPa but less than 3.00kPa; or
      - (B) subject to any written requirement of the **small customer** or agreement between the **Technical Regulator** and the **licensee** for **LPG** to be supplied at more than 3.00kPa; and
    - (ii) the pressure of the **LPG** at each such meter set is within the meter set manufacturer's designated pressure operating range;
  - (b) if applicable, subject to this industry code, deliver **LPG** received from a **retailer** at a receipt point through its **distribution system** to **delivery points** nominated by the **retailer** on terms and conditions that are fair and reasonable;
  - (c) except where the **licensee** is prevented from doing so by a **force majeure** event, ensure that **LPG** delivered through its **distribution system** to a **small customer** at a **delivery point** meets the **prescribed standards of quality** (including odorisation);
  - (d) if applicable, on request by a **retailer**, provide details as to the **distributor's** requirements in relation to:
    - (i) the protection of the **distributor's** pipes and equipment; and
    - (ii) non-interference by the **customer** with the **distributor's distribution system** within 10 **business days** of the request.

### 3.2 Maintenance of supply

- 3.2.1 Where the **licensee** operates a **distribution system**, the **licensee** must use **best endeavours** to maintain the capability of its **distribution system**.
- 3.2.2 Unless approved by the **Commission**, the **licensee** must not remove or disable any part of its **distribution system** that supplies **LPG** to one or more **small customers** on the grounds that the financial return to the **licensee** from supplying those **small customers** is insufficient.
- 3.2.3 A **licensee** may curtail or interrupt the delivery of **LPG** to a **delivery point** to the extent, and for such period of time, as the **licensee** considers is reasonably necessary:
- (a) if work under a planned maintenance or extension or expansion program is undertaken; and
  - (b) if applicable, under contractual interruption arrangements agreed between:

- (i) the distributor and retailer; or
  - (ii) a retailer and small customer, and advised to the distributor by the retailer.
- 3.2.4 If a **licensee** curtails or interrupts the delivery of **LPG** pursuant to clause 3.2.3, it must provide affected **small customers** with at least 5 **business days'** notice of the planned curtailment or interruption.

### 3.3 Connection policy

- 3.3.1 Where the **licensee** operates a **distribution system**, the **licensee** must, if requested by the **Commission**, develop a Connection Policy specifying the **licensee's** policy in respect of extending its **distribution network** at the request of a potential **small customer**.
- 3.3.2 The Connection Policy must include:
  - (a) the terms and conditions on which the **licensee** will extend the **distribution network**;
  - (b) the terms and conditions on which the **licensee** will provide a new **meter**;
  - (c) the terms and conditions on which the **licensee** will provide metering information services;
  - (d) information about the cost to **small customers** of connecting to, and using the **distribution network**;
  - (e) information about the method of calculation and collection of capital contributions (if capital contributions are to be collected);
  - (f) details of technical or other obligations of the **small customer** in respect of the **connection**.
- 3.3.3 The **licensee** must submit the Connection Policy, and any amendment to the Connection Policy, to the **Commission** for approval.

### 3.4 Connections

- 3.4.1 Where the licensee operates a distribution system, the licensee must use best endeavours to connect a new supply address to the licensee's distribution network:
  - (a) on a date agreed with the **small customer**; or
  - (b) where no date has been agreed with the **customer**, within 10 **business days** of the **licensee's** requirements for connection being satisfied.
- 3.4.2 The **licensee** must use its **best endeavours** to connect a **supply address** which was previously connected to the **licensee's distribution network**:
  - (a) on a date agreed with the **small customer**; or
  - (b) if no date has been agreed with the **small customer**, where possible on the **business day** after the **licensee's** requirements for connection are satisfied and, in any event, within 2 **business days**.

- 3.4.3 Before agreeing to connect a person's **supply address** and to sell and/or supply **LPG** to a person at that **supply address**, the **licensee** may require the person to:
- (a) make an application to the **licensee** (in person, by telephone or in writing) on a **business day**; and
  - (b) if requested by the **licensee**:
    - (i) provide acceptable identification;
    - (ii) pay any relevant fees and charges applicable;
    - (iii) provide contact details for billing purposes;
    - (iv) ensure that there is safe and convenient access to the **meter** and the **LPG** installation in order to connect the **supply address**; and
    - (v) pay any outstanding debt, or make arrangements for the payment of any outstanding debt, in relation to the **connection**, sale or supply of **LPG** to the person by the **licensee** (other than a debt the subject of a bona fide dispute, or for which repayment arrangements have been made).

## 4 METERING OBLIGATIONS

### 4.1 Metering information exchange

- 4.1.1 Where the **licensee** undertakes metering, the **licensee** must, if relevant:
- (a) supply to a **retailer** or **distributor** such information obtained from those meters that is reasonably required by the **retailer** or **distributor** for the purposes of its operations, and must do so in the format reasonably required by the **retailer** or **distributor** and consistent with **good gas industry practice**; and
  - (b) permit the **retailer** or **distributor** to inspect and witness test (at the **retailer's** or **distributor's** expense) such meters where this is reasonably required by the **retailer** or **distributor** for the purpose of its operations.

### 4.2 Metering plans and accuracy

- 4.2.1 Upon a request by the **Commission**, the **licensee** must, if the **licensee** undertakes metering or engages a person for that purpose, develop and maintain a Metering Plan setting out the **licensee's** procedures in respect of:
- (a) installation and ownership of **meters** (and any ancillary equipment);
  - (b) minimum accuracy standards for **meters** and the maintenance of that accuracy (including audits of meter types);
  - (c) collection of **metering data**;
  - (d) field and maintenance testing of **meters**;
  - (e) resolution of metering disputes; and
  - (f) **metering data** obligations.
- 4.2.2 In respect of clause 4.2.1(b), the minimum standards of accuracy for **meters** must be within a margin of accuracy of plus or minus 2% of the net volume of **LPG** delivered to that **delivery point**.
- 4.2.3 The **Commission** may:
- (a) approve the Metering Plan; or
  - (b) require the **licensee** to improve the Metering Plan (in which case the **licensee** must do so and resubmit it for the **Commission's** approval in an agreed timeframe).
- 4.2.4 The **licensee** and any person engaged by the **licensee** to undertake metering must comply with the Metering Plan after the **Commission** has approved it.
- 4.2.5 Unless otherwise agreed by the **Commission**, the **licensee** must by 31 August each year:
- (a) review the Metering Plan to determine whether it is operating effectively and whether the **licensee**, and any person engaged by the **licensee** to undertake metering, is complying with the Plan; and

- (b) if necessary, amend the Metering Plan (but the **licensee** must not amend the Plan without the approval of the **Commission**).

### 4.3 Meter reading

- 4.3.1 Subject to clause 4.3.2, the **licensee** must base a **small customer's** bill on an actual reading of the relevant meter at the **small customer's supply address** and use its **best endeavours** to ensure that the meter at the **small customer's supply address** is read as frequently as is required to prepare its bills and in any event at least once every 12 months.
- 4.3.2 Where a **licensee** is unable to base a bill on a reading of the meter at a **small customer's supply address** because:
  - (a) access is denied as a result of the actions of the **small customer**, or a third party, extreme weather conditions or an industrial dispute;
  - (b) the meter cannot safely be accessed in order to read it;
  - (c) the meter or ancillary equipment has recorded the **LPG** usage incorrectly; or
  - (d) the meter has been tampered with,the **licensee** may provide the **small customer** with an estimated bill based on:
  - (e) the **small customer's** reading of the meter;
  - (f) the **small customer's** prior **LPG** usage history (based over a reasonable time period) at that **supply address**;
  - (g) where the **small customer** does not have a prior **LPG** usage history at that **supply address**, the average usage of **LPG** by a comparable **small customer** over the corresponding period; or
  - (h) an estimating system approved by the **Commission**.
- 4.3.3 The **licensee** may provide the **small customer** with an estimated bill or bills where:
  - (a) the **small customer** and the **licensee** have agreed to the issue of an
  - (b) estimated bill or bills; and
  - (c) the **estimated** bill or bills are based on a methodology specified in clause 4.3.2.
- 4.3.4 Where the **licensee** has provided a **small customer** with an estimated bill, and the meter is subsequently read, the **retailer** must include an adjustment on the next bill to take account of the actual **meter** reading.
- 4.3.5 When the **licensee** issues a **small customer** with an estimated bill it must publish a notice in a prominent location on that bill advising that the bill is based on an estimated reading of the meter.
- 4.3.6 Where a **small customer** has denied access to a meter for the purpose of reading that meter, and subsequently requests the **licensee** to replace an estimated bill with a bill based on a reading of the meter, the **licensee** must comply with that request but may pass through to that **small customer** any costs it incurs in doing so.

## 5 BILLING AND PAYMENT OBLIGATIONS

### 5.1 Billing

- 5.1.1 Where the **licensee** undertakes billing, the **licensee** must use its **best endeavours** to issue a bill to a **small customer** at least quarterly.
- 5.1.2 A **licensee** and a **small customer** may agree to a billing cycle with a regular recurrent period that differs from clause 5.1.1 provided that the **licensee** has advised the **small customer** in writing of the proposed billing frequency.
- 5.1.3 The **licensee** must issue a bill to a **small customer** at that **small customer's supply address**, unless the **small customer** nominates another address.
- 5.1.4 A **licensee** must prepare a bill so that a **small customer** can easily verify that the bill conforms to their customer sale contract and must include at least the following particulars on each bill:
- (a) the **small customer's** name and account number;
  - (b) the **small customer's supply address** and any other relevant address;
  - (c) the pay-by date, which must not be less than 12 **business days** after the date the **licensee** sends the bill to the **small customer**, unless otherwise agreed with the **small customer**;
  - (d) the amounts due to the **licensee**;
  - (e) the relevant fees, charges and tariffs applicable to the **small customer** separately itemised;
  - (f) the date of the last meter reading or estimate and the number of days since the previous reading or estimate, or enable the calculation of the number of days the bill covers and the estimated date for the next meter reading;
  - (g) the meter readings, metering data or estimates for the bill;
  - (h) consumption, or estimated consumption, in units used (e.g. MJ);
  - (i) the amount of any government concessions or rebates applicable to the **small customer** separately itemised;
  - (j) the amount of any government imposed charges or levies and the
  - (k) details of the charge or levy;
  - (l) the information required by section 26A(2)(da) of the **Gas Act** and regulation 13 of the Gas Regulations 2012 in each account for **LPG** charges sent to a **small customer**, in the prescribed print size and form;
  - (m) a list of the available payment methods;
  - (n) the telephone number for billing, payment enquiries and instalment payment options (for the cost of a local call from anywhere in South Australia) and information about help that is available if the **small customer** is experiencing payment difficulties;

- (o) a 24 hour contact telephone number for faults and emergencies and force majeure events;
  - (p) the amount of arrears or credit, and the total of any payments made by the **small customer** since the last bill was issued;
  - (q) the amount of any security deposit provided by the **small customer**; and
  - (r) on **residential customer's** bills only, a reference to the availability of relevant government concessions and rebates, if any.
- 5.1.5 A **licensee** may issue a bill to a **small customer** in a different form to 5.1.4 where approval has been provided in writing by the **Commission**.
- 5.1.6 If the **small customer** requests its final bill for the **customer's supply address** from the **licensee**, the **licensee** must use its **best endeavours** to issue that **small customer** with a final bill in accordance with the **small customer's** request.

## 5.2 Security deposits and alternatives

- 5.2.1 Subject to clause 5.2.2, the **licensee** may require a **small customer** to provide a security deposit at the time the **small customer** makes an application for connection, or an application for reconnection after being disconnected, or before selling LPG to the **small customer**.
- 5.2.2 The **licensee** must not require a **small customer** to provide a security deposit unless:
- (a) the **small customer** has left a previous **supply address** without settling an outstanding **LPG** debt owing to that **licensee**, the debt remains outstanding, and the **small customer** refuses to make arrangements (acceptable to both parties) to pay the debt; or
  - (b) the **small customer** has within the previous two years been responsible for the use of **LPG** illegally; or
  - (c) the **small customer** is a new **customer** and:
    - (i) has refused or failed to produce acceptable identification; or
    - (ii) has not provided information demonstrating a satisfactory history of paying **LPG** accounts; or
    - (iii) the **licensee** has reasonably formed the view that the new **small customer** has an unsatisfactory credit rating,
 and the **licensee** has offered the **small customer** an instalment plan or other payment option and the **small customer** has refused, or failed to agree to, the offer.
- 5.2.3 Subject to approval and annual review by the **Commission** and to clause 5.2.4:
- (a) the amount of a security deposit for a **small customer** who is on a quarterly billing cycle must not be greater than 1.5 times the average quarterly bill for **residential customers** or **business customers** of the same class; and
  - (b) the amount of a security deposit for a **small customer** who is on a monthly billing cycle must not be greater than 2.5 times the average monthly bill for **residential customers** or **business customers** of the same class.

- 5.2.4 The **licensee** may increase a **business customer's** existing security deposit, where that deposit is insufficient to secure the **business customer's** current **LPG** usage taking into account the limits of security deposits as calculated using the average of the **business customer's** last bills.
- 5.2.5 The **licensee** must accept a bank guarantee from a **business customer** as an alternative to a cash security deposit.
- 5.2.6 Where the **licensee** has received a security deposit from a **small customer**, the **licensee** must pay interest, if any, to the **small customer**, on the deposit at a rate and on terms and conditions, if any, approved by the **Commission**.
- 5.2.7 Where a **small customer** has been required by a **licensee** to pay a security deposit and:
- (a) the **small customer** completes 24 months (or such lesser time agreed with the **small customer**) of paying its bills by the pay by dates for those bills; or
  - (b) the **small customer** ceases to purchase **LPG** from the **licensee** at the **supply address** to which the security deposit relates and a final reading of the meter for that **supply address** is completed and the **small customer** has not commenced purchasing **LPG** from the **licensee** at a different **supply address**,
- the **licensee** must return the security deposit and any interest to the **small customer**.
- 5.2.8 The **licensee** may apply the security deposit as a credit on the **small customer's** next bill. However, if the **small customer** will not have another bill, the **licensee** must repay the security deposit to the **small customer** within 10 **business days**.
- 5.2.9 Where the **licensee** has accepted a bank guarantee from a **business customer** in lieu of a security deposit, the **licensee** must return the bank guarantee within the 10 **business days** of the **business customer** satisfying the conditions referred to in clause 5.2.7.
- 5.2.10 The **licensee** must keep security deposits in a separate account and separately identify in its company accounts, at all times, the value of security deposits which it holds for **small customers**.
- 5.2.11 The **licensee** may use a **small customer's** security deposit and interest which has accrued to it to offset any amount owed by that **small customer** to the **licensee**:
- (a) if the **small customer** fails to pay a bill resulting in disconnection of the **supply address**; or
  - (b) in relation to a final bill issued by the **licensee** when the **small customer** vacates a **supply address** or ceases to buy **LPG** from the **licensee** at that **supply address** or asks that the **supply address** be disconnected.

However, the **licensee** must not, without the **small customer's** written consent, use a security deposit to offset charges in respect of any goods or services (other than **LPG**) provided by the **licensee**.

## 5.3 Where a tariff or tariff type has changed

- 5.3.1 Where during a billing cycle a **small customer** changes from one type of tariff to another type of tariff, the **licensee** must (if it is necessary to do so due to the change in the type of tariff applying to that **small customer**):
- (a) obtain a meter reading at the time the type of tariff changes; and
  - (b) calculate the **small customer's** bill using the type of tariff applying during the period prior to and after the date of the meter reading referred to in clause 5.3.1(a).
- 5.3.2 Where during a billing cycle the tariff rate or charge applying to a **small customer** changes, the **licensee** must calculate the bill on a pro rata basis using:
- (a) the old tariff rate or charge up to and including the date of change; and
  - (b) the new tariff rate or charge from the date of the change to the end of the billing cycle.
- 5.3.3 Where the **licensee** offers alternative tariffs or tariff options and a **small customer**:
- (a) applies in writing to the **licensee** to transfer from that **small customer's** current tariff to another tariff; and
  - (b) demonstrates to the **licensee** that it satisfies all of the conditions relating to that other tariff.
- the **licensee** must transfer the **small customer** to that tariff within 10 **business days** of satisfying those conditions.
- 5.3.4 Where a **small customer** transfers from one tariff type to another, in accordance with clause 5.3.3, the effective date of the transfer will be:
- (a) the date on which the last meter reading at the old tariff is obtained; or
  - (b) where the transfer requires a change to the meter at the **small customer's supply address**, the date the meter change is completed.
- 5.3.5 Where a **small customer** informs the **licensee** of a change in use of the **small customer's supply address**, the **licensee** may require the **small customer** to transfer to a tariff applicable to the **small customer's** use of the **supply address**.
- 5.3.6 If a **small customer** fails to give notice to the **licensee** of a change in the use of the **small customer's supply address**, and the **licensee** subsequently becomes aware of the change in use, the **licensee** may transfer the **small customer** retrospectively from the date of the change.

## 5.4 Billing disputes

- 5.4.1 The **licensee** must review a **small customer's** bill when asked by that **small customer**.
- 5.4.2 The **licensee** must inform the **small customer** of the outcome of that review as soon as reasonably possible, but in any event, within 20 **business days**.
- 5.4.3 Where a **licensee** is reviewing a bill, the licensee may require the **small customer** to pay:
- (a) the greater of:
    - (i) that portion of the bill under review that the **small customer** and the **licensee** agree is not in dispute; or
    - (ii) an amount equal to the average amount of the **small customer's** bills in the previous 12 months (excluding the bill in dispute); and (b) any future bills that are properly due.
- 5.4.4 Where the **small customer** requests that, in reviewing the bill, the meter reading be checked or the meter tested, the **licensee** must, as the case may be:
- (a) arrange for a check of the meter reading; or
  - (b) arrange for a test of the meter.
- 5.4.5 The **small customer** must pay the **licensee** in advance the **licensee's** reasonable charge for checking the meter reading, metering data or for testing the meter.
- 5.4.6 A **licensee** must ensure that any test required under clause 5.4.5 is completed within a reasonable time.
- 5.4.7 Where, after conducting a review of the bill, the **licensee** is satisfied that it is:
- (a) correct, the licensee may require the **small customer** to pay the amount of that bill which is still outstanding; or
  - (b) incorrect, the **licensee**:
    - (i) must correct the **small customer's** bill;
    - (ii) must refund (or set off against the amount in clause 5.4.7(b)(iii)) any fee paid in advance under clause 5.4.5;
    - (iii) may require the **small customer** to pay the amount of that bill which is still outstanding; and
    - (iv) must advise the **small customer** of the existence of its dispute resolution processes.
- 5.4.8 Where the **small customer** advises the **licensee** that it is not satisfied with the **licensee's** decision, the **licensee** must inform the **small customer** that the **small customer** may lodge a dispute with:
- (a) the **licensee's** external dispute resolution body; or
  - (b) the **Ombudsman Scheme** (where the **licensee** is required to participate in that scheme by the **Commission**),

and advise the **small customer** of the process for lodging such a dispute.

## 5.5 Undercharging

- 5.5.1 Subject to clause 5.5.2, where the **licensee** has undercharged a **small customer** as a result of act or omission of the **licensee**, it may recover from the **small customer** the amount undercharged.
- 5.5.2 Where the **licensee** proposes to recover an amount undercharged as a result of the **licensee's** error, the **licensee** must:
- (a) limit the amount to be recovered to the amount undercharged in the 12 months prior to the meter reading date on the **small customer's** last bill;
  - (b) list the amount to be recovered as a separate item in a special bill or in the next bill, together with an explanation of that amount;
  - (c) not charge the **small customer** interest on that amount; and
  - (d) if the **small customer** requests it, allow the **small customer** time to pay that amount by agreed instalments, over a period nominated by the **small customer** being no longer than:
    - (i) the period during which the undercharging occurred (if the undercharging occurred over a period of less than 12 months); or
    - (ii) in any other case, 12 months.

## 5.6 Overcharging

- 5.6.1 Where a **small customer** has been overcharged as a result of an act or omission of the **licensee**, the **licensee** must inform the **small customer** accordingly within 10 **business days** of the **licensee** becoming aware of that error and:
- (a) credit that amount to the **small customer's** next bill; or
  - (b) if this credit cannot be made (for example, if the **small customer** will not have another bill from the **licensee**) the **licensee** must repay that amount to the **small customer** within 10 **business days**.

## 5.7 Payment methods

- 5.7.1 The **licensee** must offer at least the following payment methods to its **small customers**:
- (a) in person;
  - (b) by mail; and
  - (c) by direct debit under a payment arrangement agreed by the **small customer**, the **licensee** and an authorised deposit taking institution nominated by the **small customer**.

## 5.8 Payment difficulties

- 5.8.1 Where a **residential customer** informs the **licensee** in writing or by telephone that the **residential customer** is experiencing payment difficulties, the **licensee** must

advise the **residential customer**, as soon as is reasonably practicable, of instalment plan options offered by the **licensee** at that time and, where appropriate:

- (a) the right to have a bill redirected to a third person, as long as that third person consents in writing to that redirection;
- (b) information on independent financial and other relevant counselling services.

5.8.2 Where a **residential customer** requests information or a redirection of its bills, under this clause, the **licensee** must provide that information or redirection free of charge.

## 5.9 Long absence or illness

5.9.1 Where a **residential customer** is unable to arrange payment whether due to illness or long absence, the **licensee** must offer:

- (a) payment in advance facilities; and
- (b) redirection of the **residential customer's** bill as requested by the **residential customer** free of charge.

## 5.10 Paying by instalments

5.10.1 The **licensee** must offer **residential customers** at least the following payment options:

- (a) a system or arrangement under which a **residential customer** may make payments in advance towards future bills; and
- (b) an interest and fee free instalment plan or other arrangement under which the **residential customer** is given more time to pay a bill or to pay arrears (including any disconnection or reconnection charges).

5.10.2 The **licensee** may require a **residential customer** to pay by instalments in advance if the **residential customer** is in arrears or as an alternative to the **residential customer** paying a security deposit.

5.10.3 The **licensee** does not have to offer a **residential customer** an instalment plan if the **residential customer** has, in the previous 12 months, had 2 instalment plans cancelled due to non-payment. In such a case, the **licensee** must offer another instalment plan only if the **licensee** is reasonably satisfied that the **residential customer** will comply with that instalment plan.

5.10.4 The **licensee** offering an instalment plan must, in determining the period of the plan and calculating the amount of the instalments, take into account information from the **residential customer** about the **residential customer's** usage needs and capacity to pay.

5.10.5 Nothing in this code limits the payment options that a **licensee** may offer to a **small customer**.

## 6 DISCONNECTION AND RECONNECTION OBLIGATIONS

### 6.1 Disconnection of a supply address

- 6.1.1 If a **small customer** requests the **retailer** to disconnect the **small customer's supply address**, the **retailer** must use its **best endeavours** to disconnect in accordance with the **small customer's** request.
- 6.1.2 Subject to clauses 6.1 and 6.3, the **retailer** may arrange to disconnect a **small customer's supply address** if a **small customer** has not:
- (a) paid a bill;
  - (b) agreed to an offer (made in accordance with clause 5.8 and clause 5.10) of an instalment plan or other payment option to pay a bill;
  - (c) adhered to the **small customer's** obligations to make payments in accordance with an agreed instalment plan or other payment option relating to the payment of bills;
  - (d) failed to allow, for 3 consecutive **billing cycles** (or such longer period as the **retailer** nominates), access to the **small customer's supply address** to read a meter; or
  - (e) where the **small customer** refuses to pay a security deposit or provide a bank guarantee in accordance with clause 5.2.

### 6.2 Obligations prior to disconnection

- 6.2.1 Prior to effecting a disconnection under clause 6.1, the **retailer** must have:
- (a) used its **best endeavours** to contact the **small customer** personally either:
    - (i) by telephone;
    - (ii) by mail;
    - (iii) by email; or
    - (iv) by any other method approved by the **Commission** from time to time;
  - (b) given the **small customer** a reminder notice;
  - (c) after the expiry of the period referred to in the reminder notice, give the **small customer** a written disconnection warning with 5 **business days'** notice of its intention to arrange for the disconnection (the 5 **business days** shall be counted from the date of receipt of the disconnection warning);
  - (d) in the case of a disconnection arising under clause 6.1.2(a), offered the **residential customer** alternative payment options of the kind referred to in clause 5.10 (provided that **retailer** is not obliged to offer an instalment plan as where the **residential customer** has in the previous twelve months had two instalment plans cancelled due to nonpayment); and
  - (e) in the case of a disconnection arising under clause 6.1.2(d):

- (i) give the **residential customer** an opportunity to offer reasonable alternative access arrangements; and
- (ii) on each of the occasions access was denied, give the **residential customer** written notice requesting access to the meter or meters at the **supply address** and advising of the **licensee's** ability to arrange for disconnection.

### 6.3 When the licensee may not disconnect

- 6.3.1 The **retailer** must not request the **distributor** to disconnect a **small customer's supply address**:
- (a) for non-payment of a bill where the amount outstanding is less than an amount approved by the **Commission** and the **small customer** has agreed to repay that amount;
  - (b) where a **small customer** has made a complaint, directly related to the reason for the proposed disconnection, to an external dispute resolution body and the complaint remains unresolved;
  - (c) after 3.00pm on a **business day**; or
  - (d) on a Friday, on a weekend, on a public holiday or on the day before a public holiday, except in the case of a planned interruption.

### 6.4 Disconnections for emergencies and safety

- 6.4.1 Notwithstanding any other clause in this code, the **licensee** may disconnect, interrupt or cause the disconnection or interruption of supply to a **small customer's supply address** in the case of an emergency.
- 6.4.2 Where the **licensee** exercises its disconnection right under this clause, it must:
- (a) provide, by way of a 24 hour emergency line, information on the nature of the emergency and an estimate of the time when supply will be restored; and
  - (b) use its **best endeavours** to restore supply to the **small customer's supply address** as soon as possible.
- 6.4.3 Nothing in this code should affect the **licensee** exercising any power, or obligation to comply with any direction, order or requirement under the *Emergency Powers Act 1941*, *Essential Services Act 1981*, *State Disaster Act 1980* or the *State Emergency Services Act 1987*, or any other relevant legislation.
- 6.4.4 Notwithstanding any other clause and subject to clause 6.4.5, the **licensee** may disconnect or interrupt supply to a **small customer's supply address** for reasons of health or safety.
- 6.4.5 Except in the case of an emergency, or where there is a need to reduce the risk of fire or where relevant legislation, regulations or codes require it, the **licensee** must not disconnect a **small customer's supply address** for a health or safety reason unless the **licensee** has:
- (a) given the **small customer** written notice of the reason;

- (b) allowed the **small customer** **5 business days** to remove the reason (the **5 business days** shall be counted from the date of receipt of the notice); and
- (c) at the expiration of those **5 business days** given the **small customer**, by way of a written disconnection warning, another **5 business days'** notice of its intention to disconnect the **small customer** (the **5 business days** shall be counted from the date of receipt of the notice).

## 6.5 Disconnections by the distributor

- 6.5.1 The **distributor** must disconnect a **small customer** from the **distribution system**:
  - (a) subject to clauses 6.3.1(c) or 6.3.1(d), at the direction of a **retailer**; or
  - (b) where the **distributor** is directed to do so by the Technical Regulator or any other body exercising a similar function under an Act.
- 6.5.2 The **distributor** may disconnect a **small customer** from the **distribution system** pursuant to clause 6.4.
- 6.5.3 Where the **small customer** has been disconnected by the **distributor**, other than under clause 6.5.1(a), the **distributor** must advise the **retailer**.

## 6.6 Reconnection after disconnection

- 6.6.1 Where the **retailer** has arranged for the disconnection of a **small customer's supply address** the **retailer** must arrange for the reconnection of the **small customer's supply address**, subject to (where relevant):
  - (a) the **small customer** making a request for reconnection; or
  - (b) the reasons for disconnection being rectified; and
  - (c) the **small customer** agreeing to pay the **retailer's** or **distributor's** reasonable charges for reconnection, if any.
- 6.6.2 Where the **distributor** has disconnected a **small customer's supply address** in accordance with this code and the **retailer** has subsequently notified the **distributor** to reconnect the **supply address**, the **distributor** must use its **best endeavours** to reconnect the **small customer** within the time agreed with the **retailer**.
- 6.6.3 Where, under this clause, the **retailer** is obliged to arrange for the reconnection of a **small customer's supply address** and the **small customer** makes a request for reconnection before 4.00pm on a **business day**, the **retailer** must use its **best endeavours** to arrange for the reconnection on the day of the request and, in any event, by the next **business day**.
- 6.6.4 Where, under this clause, the **retailer** is obliged to reconnect a **small customer's supply address** and the **customer** makes a request for reconnection after 4.00pm and before 9.00pm on a **business day**, and pays the **retailer's** or **distributor's** reasonable charges for after-hours connection, the **retailer** must arrange for the reconnection on the day requested by the **small customer** unless the **retailer** informs the **small customer** that this is not possible, in which case the **retailer** must arrange for connection by the end of the next **business day** and the after-hours connection fee does not apply.

- 6.6.5 Where, under this clause, the **retailer** is obliged to reconnect a **small customer's supply address** and the **customer** makes a request for reconnection after 9.00pm, on a **business day**, the **retailer** must arrange for the reconnection by the end of the next **business day**.

Consultation draft

## Schedule 1 – Definitions

In this Code:

“**best endeavours**” means to act in good faith and use all reasonable efforts, skill and resources;

“**business customer**” means a **customer** that purchases **LPG** for purposes other than domestic purposes;

“**business day**” means a day other than a Saturday, Sunday or public holiday in South Australia;

“**Commission**” means the Essential Services Commission established under the **ESC Act**;

“**customer**” has the meaning given to that term in the **Gas Act**, namely a person who has a supply of **LPG** available from a system for consumption by that person, and includes:

- (i) the occupier for the time being of a place to which **LPG** is supplied by a **distribution system**;
- (ii) where the context requires, a person seeking a supply of **LPG** from a **distribution system**; and
- (iii) a person of a class declared by regulation to be a **customer**;

“**delivery point**” means a point on a **distribution system** at which **LPG** is withdrawn from the **distribution system** for delivery to a **customer**;

“**distribution system**” has the meaning given to that term in the **Gas Act**;

“**distributor**” means a person holding a distribution licence issued under the **Gas Act** authorising the operation of a **distribution system**;

“**ESC Act**” means the *Essential Services Commission Act 2002 (SA)*;

“**explicit informed consent**” has the same meaning as is given to that term in the *National Energy Retail Law (South Australia) Act 2011*;

“**force majeure event**” means an event outside the control of a **distributor**, a **retailer** or a **customer**;

“**Gas Act**” means the *Gas Act 1997 (SA)*;

“**good gas industry practice**” means the exercise of that degree of diligence, skill, prudence and foresight that reasonably would be expected from a significant proportion of operators of **LPG distribution systems** forming part of the Australian **LPG** supply industry under conditions comparable to those applicable to the **distribution system** operated by the licensee consistent with the **Gas Act**, **industry codes** or **industry rules**, reliability, safety and environmental factors;

“**industry code**” includes any **industry code** made by the **Commission** under section 28 of the **ESC Act** from time to time;

“**licensee**” means a person licensed under the **Gas Act** to sell and/or supply **LPG** as the case may be;

“**LPG**” means liquefied petroleum gas, being a hydrocarbon fluid composed predominantly of one or more of the following hydrocarbons: propane (C<sub>3</sub>H<sub>8</sub>); propene (propylene) (C<sub>3</sub>H<sub>6</sub>); butane (C<sub>4</sub>H<sub>10</sub>); or butene (butylene) (C<sub>4</sub>H<sub>8</sub>);

“**meter**” means an instrument that measures the quantity of **LPG** passing through it and includes associated equipment attached to the instrument to filter, control or regulate the flow of **LPG**;

“**metering data**” means the measure of quantity of **LPG** flow obtained from a **metering installation**;

“**metering installation**” means the **meter** and associated equipment and installations, relating to a **delivery point**;

“**Ombudsman Scheme**” means an ombudsman scheme, the terms and conditions of which are approved by the **Commission**;

"**prescribed standards of quality**" means the quality and other requirements for gas set out in or as prescribed in the **Gas Act** and associated regulations as they apply to **LPG** operations;

"**residential customer**" means a **customer** that purchases **LPG** primarily for domestic purposes;

"**retailer**" means a person holding a retail licence issued under the **Gas Act** authorising the sale of **LPG**;

"**small customer**" means a **customer** who consumes less than 1TJ of **LPG** annually at a single **delivery point**; and

"**supply address**" means the address for which a **customer** purchases **LPG** from a **licensee**.

Consultation draft

## Schedule 2 – Interpretation

In this Code, unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this Code;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- (e) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- (f) a reference to any statute, regulation, proclamation, order in council, ordinance or bylaw includes all statutes, regulations, proclamations, orders in council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, orders in council, ordinances, by-laws and determinations issued under that statute;
- (g) a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;
- (h) an event which is required under this code to occur on or by a stipulated day which is not a **business day** may occur on or by the next **business day**.



The Essential Services Commission  
Level 1, 151 Pirie Street Adelaide SA 5000  
GPO Box 2605 Adelaide SA 5001  
T 08 8463 4444

E [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au) | W [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)