



ENERGY & WATER  
OMBUDSMAN SA

GPO Box 2947  
Adelaide SA 5001

T 1800 665 565  
F 1800 665 165

ABN 11 089 791 604

[ewosa.com.au](http://ewosa.com.au)

Tamsyn Hinksman  
Senior Policy Officer  
Essential Services Commission  
GPO Box 2605 ADELAIDE SA 5001

Emailed to [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au)

30 May 2022

Dear Ms Hinksman,

**Submission on the Cowell Electric Supply Pty Ltd licence amendment: Proposed prepayment by default consumer protections – Draft Decision**

The Energy & Water Ombudsman (SA) Limited (**Energy & Water Ombudsman SA**) welcomes the opportunity to comment on the Essential Services Commission of South Australia's (**the Commission's**) Cowell Electric proposed prepayment Draft Decision.

Energy & Water Ombudsman SA is an independent Energy and Water Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (inter alia) the connection, supply or sale of electricity, gas or water.

Energy & Water Ombudsman SA is aware that prepayment meters were made available for some customers on a voluntary basis in South Australia until the retailer (Aurora) decided to vacate. We understand that during this time, prepayment worked well for those who chose to participate. There were very few complaints about the use of prepayment meters in the context of the customer choosing the option voluntarily.

We note the development of the Prepayment Meter System Code (**the Code**) by the Commission in 2005 following wide consultation. The Code was amended in 2013 to regulate the operation of prepayment systems by retailers in small scale and off-grid networks not captured by the National Energy Customer Framework.

Energy & Water Ombudsman SA is concerned about prepayment where it is mandated rather than a voluntary option which provides choice of payment type. As the Commission makes clear in the Cowell Electric proposed prepayment Draft Decision, the mandated nature of this reform means that these customers will be unable to access some key protections such as the requirement that a retailer obtain explicit informed consent from a customer prior to entering into a prepayment arrangement with that customer or the right for a customer to revert to post-pay metering at any time.

Energy & Water Ombudsman SA is concerned about differential protections being afforded to different categories of prepayment customers due to the nature of the Variations Regulations. We believe that all prepayment customers should be afforded equal protections, regardless of whether they are prescribed or not. An unintended consequence of providing different protections could be that trust in the product is eroded.

Energy & Water Ombudsman SA supports the Commission's move to provide minimum terms and conditions to the provision of prepayment metering to prescribed customers. In particular, we note that the Variation Regulations require that all prescribed customers be sold electricity using a prepayment meter arrangement and that the Commission cannot prohibit the use of prepayment meters for life support customers in the Schedule without creating an inconsistency with the Variation Regulations. We therefore consider it essential for the Commission to proceed with its proposal to ensure Cowell Electric disable the self-disconnection feature of the prepayment meter where a life support customer is identified and abide by the requirement not to disconnect life support customers.

Thank you for consideration of this submission. Should you require further information or have any enquiries in relation to this submission, please contact me on 08 8216 1866

Yours sincerely



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Sandy Canale  
Energy and Water Ombudsman SA