



20 December 2004

Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

Prepayment Metering Code - Consultation Draft

Thank you for the opportunity to comment upon the Commission's *Prepayment Metering Code - Consultation Draft*.

Origin sought to avoid the Commission developing a unique South Australian prepayment metering code, given both the work of other regulators and that the Australian Energy Regulator is scheduled to take carriage of retail issues in 2006. At this juncture it is appropriate that all regulators avoid adding further to the current high level of jurisdictional inconsistency.

Despite the decision of the Commission to proceed, Origin welcomes the Code as a workable solution that will facilitate the introduction of prepayment metering in South Australia. However, in finalising the Code, the Commission must recognise the potential for increased regulation to restrict the benefits and choices available to consumers without providing any valued customer protection. In our view, two clauses, identified below, particularly fall into this category.

Clause 2.5 (d)(e) - Other Payments: Origin does not support the proposed prohibition on the recovery of payments for other goods and services and customer debt via the prepayment charges. The cost efficiency of prepayment metering results from the use of a single payment channel. Requirements for additional payment channels in these circumstances will increase the cost of the service and diminish the benefits which otherwise would be available to consumers. A customer who has chosen to enter into a pre-payment metering contract has indicated their preference for this payment method, and if they agree with their retailer for payments for other goods and services or debt to be made via this channel, they should be free to do so.

Clause 2.7.1 - Meter Display: Regulating the information which must be displayed on the meter has the potential to limit the metering options available to South Australian consumers. Information provision should be a point of competitive differentiation among retailers, whereby customers will not agree to a scheme that does not meet their needs. At the very least, the use of meters which do not display the items listed in the clause should be available subject to Commission approval.

Yours sincerely

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