



Hon. Patrick Conlon BA LLB (Hons) MP

Minister for Infrastructure

Minister for Energy

Minister for Emergency Services

04MEN/1127
TF04D08573

Mr Lewis Owens
Chairperson
Essential Services Commission of South Australia
GPO Box 2605
ADELAIDE SA 5001

Dear Mr Owens *Low*

I refer to your letter dated 17 November 2004 to the Hon Patrick Conlon MP regarding ESCOSA's Draft Pre-Payment Metering Code.

The Government supports voluntary use of pre-payment meters as they provide options that improve consumer choice and allow customers to select from a range of methods of payment. I note that pre-payment meters have the additional benefit of assisting customers in monitoring their electricity consumption and identifying methods to reduce their bills.

The above notwithstanding, the Government is concerned that consumers may be coerced into using prepayment meters, or that customers facing difficulties with payments will be disadvantaged. Consequently, I have attached a number of suggestions regarding the Draft Prepayment Code, for your consideration.

I commend ESCOSA on their overall approach to protecting low income customers. In particular, the Government supports the proposal for a mandatory trial period which will offer customers an opportunity to understand the differences between a standard contract and a pre-payment contract.

If you wish to discuss these issues further, please contact Tracy Goh at the Department of Treasury and Finance on (08) 8226 3110.

Yours sincerely

Hon Jay Weatherill, MP
A/MINISTER FOR ENERGY

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Government Suggestions on ESCOSA's Draft Prepayment Code

- That section 2.5.1 (f) should be expanded to allow credit retrieval when a small customer ends their pre-payment contract;
- That section 2.8.2 regarding payment difficulties, include a requirement for the retailer to provide the customer with, or refer the customer to, sources of information on energy saving and energy efficiency practices;
- That section 2.8.2 also suggest that, where available, retailers offer hardship arrangements to the customer experiencing difficulty with payment;
- That section 2.8.3 regarding record keeping, include a requirement to distinguish between disconnections which have occurred intentionally (eg when occupants leave on holidays) or through forgetfulness, and which have occurred as a result of payment difficulties or hardship.
- That retailers (when notified) ensure that customers requiring life support systems are never disconnected or allowed to self-disconnect;
- That, where possible, a meter display be located within the house, or in a location easily accessible to the customer;
- That retailers be required to ensure that they will have some method of delivering electricity concessions to pre-payment meter customers;
- The Government is concerned that customers facing payment difficulties may self-disconnect for extended periods of time, and may expose themselves or their dependents to health and safety risks. A clause should be added for the retailers to repeat contact customers again who have been disconnected continuously for more than, say, 7 days, and if necessary, to forward the details of these customers to a relevant Government authority;
- In order to ensure that customers are not coerced into using pre-payment meters, the retailers should use their best endeavours to check that the customer is entering the contract willingly and that the pre-payment meter contract has not been entered into as part of an agreement with another entity.