

Review of Alcan Gove Pty Ltd Exemption

Submission by: Power and Water Corporation

November 2023

1 | Overview

Power and Water appreciate the opportunity to provide input into this exemption that may impact Territorians and the customers of our subsidiary, IES, who are connected to this network. We have gathered feedback from various stakeholders within the business, and we present here a consolidated response that reflects our perspectives and concerns.

Generally, Power and Water supports the Commission's proposed positions but can provide limited feedback on matters of commerciality and appropriateness of application to a third party. Power and Water's general stance on the exemption for RTA Gove remains generally unchanged from that in the past, this being that there is no urgent need for variation in their approach. However, we generally support any changes that may improve outcomes and protections for Territorians.

Power and Water's response reflects our commitment to the well-being and positive outcomes for customers in the Nhulunbuy region and surrounds. We appreciate the opportunity to contribute to this matter and hope our response will aid the Commission in its decision-making process.

Question 1	Do stakeholders consider there is a need to make any administrative or typographical changes to RTA Gove's licence exemption? If so, what are they?
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Power and Water have no significant concerns with the current drafting. However, we found clause 2(iv) to be challenging to read. We recommend that the Commission simplify the drafting of the clause for the benefit of the end users.

Question 2	Do stakeholders consider that any variation to the scope of RTA Gove's licence exemption is required? If so, what variation is required and why?
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Power and Water see no need to vary the scope of the proposed licence exemption at this present time.

Question 3	Do stakeholders consider that any variation to clause 2.i. of RTA Gove's licence exemption (relating to provision of information to the Commission) is required? If so, what variation is required and why?
i.	<i>that the exempt party from time to time provide the Commission, in a manner and form to be determined by the Commission, such information necessary to the performance of its functions under any applicable laws that the Commission may request</i>

Power and Water do not consider a variation is required to this clause. It is prudent to require the exempt party to provide such information to the regulator, mainly where obligations apply to the exempt party.

Question 4	Do stakeholders consider amendment to condition 2.ii. of RTA Gove's licence exemption is appropriate to improve clarity and accord for recent amendments to the ERS Code? Why or why not?
ii.	<i>that the exempt party comply with Clause 10 (Life support equipment) of the Electricity Retail Supply Code as if it were licensed by the Utilities Commission under Part 3 of the Act to operate as a network provider and retailer and comply with the life support procedures for Nhulunbuy and surrounding areas approved by the Utilities Commission under clause 10.7 and as if version 3 of the Electricity Retail Supply Code commenced on the date of commencement of this amended exemption</i>

Power and Water support this amendment as it may provide vulnerable customers in Nhulunbuy with protections to secure their health and well-being.

Question 5	Is it appropriate to vary RTA Gove's licence exemption document to provide for escalation of the Approved Guaranteed Service Level payment amounts for Alcan Gove Pty Ltd using the same method applied to the GSLs in <u>Schedule 1 Table 1 of the EIP Code</u> , or would it be more appropriate for RTA Gove to propose new bespoke GSLs for the Commission's approval every five years? Why?
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Power and Water believe using the same method applied in Schedule 1 would be acceptable.

Question 6	Is there an alternative method the Commission should consider to provide a mechanism enabling amendment to RTA Gove's current approved GSL performance indicators and payment amounts?
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As detailed in 5 above, Power and Water have no issues with RTA Gove utilising the GSL approach.

Question 7	Is the application of the GSL Scheme to Nhulunbuy appropriate for the circumstances? Why or why not?
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The GSL has been utilised in Nhulunbuy previously, and our view is that it is an acceptable standard to apply in the centre.

Question 8	Do stakeholders consider the GSL scheme effectively holds RTA Gove to account for its network performance in Nhulunbuy, and incentivises maintenance and improvements in network performance for consumers in Nhulunbuy?
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Implementing the GSL scheme would hold RTA Gove to the same standard as Power and Water, which is adequate for promoting maintenance and network performance improvements.

Question 9	Should RTA Gove's exemption be varied to require RTA Gove to comply with GSL related reporting requirements contained in Schedule 3 (Network Services Performance Indicators) to the EIP Code? Why?
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Power and Water has no comment on the appropriateness of reporting requirements under the EIP Code. However, several reporting items may be valuable in protecting customers, and it could benefit the Commission to receive reporting on these.

Question 10	Do stakeholders have any views concerning clause 3 of RTA Gove's licence exemption and the Commission's role in investigating complaints about RTA Gove?
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3. Pursuant to section 87(2) of the Act, the exempt party is to be treated as an electricity entity for the purposes of sections 48 to 51 of the Act.

*48 and 51 details the commission's ability to investigate complaints where a complainant has made a genuine but unsuccessful attempt to resolve a non-compliance that has adversely affected them.

Power and Water support this amendment as it will provide customers in Nhulunbuy with further protections where grievances occur. Power and Water have some customers within Nhulunbuy, which provides consistency for customers living in the region and connected to remote communities.

Question 11	Do stakeholders consider there is any need to amend clause 4 of RTA Gove's licence exemption, which provides for Ministerial oversight of any variation to the exemption? If so, why?
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4. Under section 87(3) of the Act, this exemption document, with the approval of the Minister, may be varied or revoked by the Commission by notice in writing.

Power and Water do not see any urgent need to amend this clause. The current drafting gives the Minister appropriate powers to manage the exemption and vary it should the need arise. This is an appropriate ministerial power.

Question 12 Is the current condition requiring review of RTA Gove's exemption document at 3 year intervals appropriate? If not, what is a more appropriate timeframe and why?

Power and Water has no issues with the proposed 3-year approach. Given the evolving market in Nhulunbuy, the interval could be reduced, balancing the administrative burden on the government, stakeholders and RTA Gove. However, Power and Water is currently comfortable with the proposed 3-year timeframes.

Question 13 Would the benefits of amending RTA Gove's licence exemption to require it to comply with clauses 11.4 and 11.5 of the ERS Code, in relation to internal dispute resolution obligations outweigh any associated costs? Why or why not?

11.4 Standard complaints and dispute resolution procedures

11.5 Complaints made to retailer or network provider for internal resolution

Power and Water are supportive of this amendment as it will provide customers in Nhulunbuy with clear pathways to resolve grievances where they occur. This makes the process more consistent for customers.

Question 14 Would the benefits of amending RTA Gove's licence exemption to require it to comply with clause 12 of the ERS Code, in relation to customer hardship policy obligations outweigh any associated costs? Why or why not?

12 Hardship policy – standard meter customers

Power and Water are supportive of this amendment as it will provide customers in Nhulunbuy with additional protections where they may face hardships. As RTA Gove bills individual customers, it is prudent for the entity to have appropriate policies and procedures in place to manage and protect customers facing hardships.

Question 15 Would the benefits of amending RTA Gove's licence exemption to require it to comply with clause 14 of the ERS Code, in relation to family violence policy obligations outweigh any associated costs? Why or why not?

14 Family violence policy

Power and Water are supportive of this amendment as it will provide customers in Nhulunbuy with additional protection and support in situations of domestic and family violence.

Question 16 Would the benefits of amending RTA Gove's licence exemption to require it to comply with network performance reporting obligations in the EIP Code outweigh any associated costs? Why or why not?

*Network performance reporting obligations under the EIPC are set out in Schedules 1 and 3, and also requires the production of a responsibility statement, internal audit reports and 4 years of historical data, and the current reporting period's data. Performance needs to be reported each year, no later than 31 October.

Power and Water have no comment on this question, but support the Commission's decisions where they enhance local outcomes.

Question 17

Would the benefits of amending RTA Gove's licence exemption to require it to comply with retail performance reporting obligations in the EIP Code outweigh any associated costs? Why or why not?

*Retail performance reporting obligations under the EIPC are set out in [Schedule 4](#), and also requires the production of a responsibility statement, internal audit reports and 4 years of historical data, and the current reporting period's data. Performance needs to be reported each year, no later than 31 August.

Again, Power and Water have no comment on this question, but support the Commission's decisions where they enhance local outcomes.

Question 18

Would the benefits of amending RTA Gove's licence exemption to require it to comply with SMMP obligations in the ES Act outweigh any associated costs? Why or why not?

*SMMP obligations involve the creation of written document that sets out the hazards and risk associated with the design, construction, operation and maintenance of electricity infrastructure. It deals with how the risks and hazards will be managed to ensure the infrastructure is safe from electrical risk. The plan needs to be lodged to the UC for approval and must be reviewed every year, and assessed in detail by a competent third party every 3 years.

Power and Water is not concerned about RTA Gove maintaining an exemption to these requirements.

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