

SECTION 2 CURRENT EXEMPTIONS AND CONDITIONS

Administrative and typographical

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?

Scope of Exemption

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?

Question 2

The Department of the Chief Minister and Cabinet (CM&C) supports the addition of potential conditions to the Exemption Document that improve alignment with licencing requirements, including:

- the requirement under the ERS Code for retailers and network providers to have in place and publish customer complaint and dispute resolution procedures
- the requirement under the ERS Code for retailers to develop and publish a Commission-approved hardship policy for the residential customers
- the requirement under the ERS Code for retailers to develop and publish a Commission-approved family violence policy for their residential customers
- the inclusion of additional reporting requirements under the EIP code.

The list of potential conditions have arisen from community feedback to earlier consultation on the ERS Code, and respond to the needs and expectations of RTA Gove's customer base. In addition to improving the standardisation of services and reporting requirements across the industry, the introduction of these conditions would help establish clearly defined standard that can be used as a baseline to ensure quality of service is maintained and liabilities managed during the anticipated transition RTA Gove's electricity supply operations to new ownership, which the Commission has indicated there will be a requirement to be fully licenced.

Provision of information to the Utilities Commission

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?

Question 4 Do stakeholders consider amendment to condition 2.11. of RTA Gove's licence exemption is appropriate to improve clarity and to accord for recent amendments to the ERS Code? Why or why not?

Question 4

It appears appropriate that clause 2.ii of RTA Gove's licence is amended to reflect the inclusion clause 10.7.10 of the ERS Code, clarifying the requirement to periodically review its approved support equipment procedures at least once every three years, or following any breach these procedures. The option presented in the Consultation Paper as draft clause as 2(b) is supported on the basis that it not only captures the recent amendment to clause 10.7 of the ERS Code but will accommodate future changes to the ERS Code, without further amendment of the Exemption Document.

Guaranteed Service Level Scheme

Question 5 *Is it appropriate to vary RTA Gove's licence exemption document to provide for escalation of the Approval Guaranteed Service Level payment amounts for Alcan Gove Pty Ltd using the same method applied to the GSLs in Schedule 1 Table 1 of the EIP Code, or would it be more appropriate for RTA Gove to propose new bespoke GSL payment amounts for the Commission's approval every five years? Why?*

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?*

Question 5

CM&C is supportive of the 2020 introduction of Guaranteed Service Levels to the requirements under the Exemption Document. However, it is recognised that there are substantial differences in the commercial and operational costs associated with RTA Gove's electricity operations and, therefore, it may be appropriate for RTA Gove to propose a bespoke GSL payment model that varies from that designed for Darwin-Katherine, Alice Springs and Tennant Creek networks. In considering any bespoke payment option, it would be appropriate that the payment amounts reflect the operator's performance against GSL indicators.

Question 6

The intention of the regulatory regime is to standardise practices to the extent practical and which best serves the needs of Territory communities. While it is reasonable the quantum that underlies calculation of GSL payments may be changed to reflect local cost factors, performance indicators should remain standard to ensure that service level benchmarks remain meaningful and consistent across the industry.

GSL Compliance and reporting

Question 7 *Is the application of the GSL Scheme in Nhulunbuy appropriate for the circumstances? Why or why not?*

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?*

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?*

Question 9

The ability to measure and compare performance within and between networks is an important element of performance measurement and the Exemption Document should be amended to ensure Schedule 3 indicators are captured. Network reliability indices and indicators of customer performance are not only an important measure of RTA Gove's short term performance but help set a baseline for future performance by its successor.

Utilities Commission to investigate complaints

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?

Question 10

The 2020 addition of this condition under clause 3 of the exemption is supported by CM&C on the basis that a robust complaints investigation process is essential to compliance and enforcement. While it is understood that this condition places an additional administrative burden on the Commission, this mechanism appears essential to test the extent to which consumer complaints can and are being addressed within the regulatory framework.

Approval of the Minister for variation or revocation of exemption

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?

Question 11

While the Treasurer, as regulatory Minister, could delegate authority to the Commission, elements of the negotiation process ultimately remain policy-driven, indicating that it is appropriate for the Northern Territory Government to extend executive oversight to the Exemption Document.

Review of exemption document

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?

Question 12

Noting that RTA Gove intends to relinquish Special Purpose Lease 214 prior to 2030 – and perhaps substantially sooner - it may be worth considering reducing the review period to two years in order to ensure the Commission a further opportunity to normalise regulatory arrangements is secured.

SECTION 3 ADDITIONAL EXEMPTIONS TERMS AND CONDITIONS

Internal dispute resolution obligations

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?

Question 13

CM&C recognises that the new dispute resolution measures supports the inclusion of conditions that introduce obligations requiring the publication of procedures for handling customer complaints, which will promote consistency of service across the industry.

Hardship policy obligations

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?

Question 14

The introduction of clause 12 of the ERS Code follows the Commission’s review of national practice and reflects an emerging national standard that reflects community expectations with respect to the social responsibilities of electricity retailers.

CM&C recognises that a facility to enter a hardship payment plan is an important mechanism for the protection of consumers who are financially vulnerable and face challenges that effect their ability to plan for and pay electricity bills . The availability of support in such situations is important to ensuring energy security within the community and supporting the wellbeing of individuals and families.

Family violence policy obligations

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?*

Question 15

The introduction of clause 14 of the ERS Code follows the Commission’s review of national practice and reflects and responds to evidence that the Territory has the highest level of victimisation in the country. An absence of data specifically relating to Gove/Nhulunbuy is not considered to be problematic as the nature of abuse is understood to be pervasive throughout the Territory and efforts should be made to accommodate and support victims, regardless of scale.

Network performance reporting

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 and associated costs? Why or why not?*

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?*

Questions 16 & 17

The annual Northern Territory Power System Performance Review Network currently excludes information voluntarily supplied by RTA Gove, presumably on the basis that not all measures are available and the incomparability of data collected under a different methodology. While CM&C supports the continued provision of this data under this voluntary arrangement, it also supports the Commission’s consideration of potential benefits in mandating data provision under a prescribed method that allows annual reporting. Benefits include improved accountability through the benchmarking of performance, an ability to compare similarly sized operators, and the establishment of a data that enables performance monitoring over time. Noting the impending transfer of ownership in network and retail operations, time series data is likely to be particularly useful in assessing the management of services across this impending transition.

Safety Management and Mitigation Plan

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?*