

FINAL AMENDMENTS TO ELECTRICITY RETAIL SUPPLY CODE

STATEMENT OF REASONS

13 November 2019

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Purpose and structure of this paper

The purpose of this paper is to set out the Utilities Commission of the Northern Territory's (the commission) final amendments to the Electricity Retail Supply Code (the Code), following consideration of submissions to its June 2019 Statement of Reasons. This paper also discusses the exclusion of certain amendments previously proposed.

Inquiries

Any questions in relation to this Statement of Reasons should be directed to the Utilities Commission, preferably electronically by email.

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Timetable

The relevant timeframes for commencement of the Code are outlined below.

Table 1: Timetable

Action	Timeframe
Release of final Code and Statement of Reasons	13 November 2019
Notice of Variation in Gazette	13 November 2019
Amended Code commences	1 December 2019

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REVIEW OF THE CODE

Legislative requirements and review process

The commission is an independent statutory body established by the *Utilities Commission Act 2000* (the Act). It is responsible for the economic regulation of the electricity supply industry, among others, which is governed by the Act, the *Electricity Reform Act 2000* and the *National Electricity (Northern Territory) (National Uniform Legislation) Act 2015*.

Under section 24 of the Act, the commission has the power to make codes and rules if authorised to do so under a relevant industry Act, regulation or by regulations under the Act. It prescribes a code making process for the creation, variation and revocation of industry codes, which requires the commission to (among other things):

- consult with the Minister (the Treasurer),¹ representative bodies and participants in the regulated industry;
- give notice of the making, variation or revocation of a code to the Minister and to each licensed entity to which the code applies; and
- ensure copies of the code are made available for inspection by the public.

Regulation 2A of the Utilities Commission Regulations 2001 provides that the commission is authorised to make a code relating to retail supply in the electricity supply industry. Clause 1.1.2 of the Electricity Retail Supply Code reaffirms this.

Furthermore, clause 1.2.1 of the Code provides that, without limiting clause 1.1.2, the Code may deal with any one or more of the following:

- transfer of customers between retailers
- credit support arrangements
- billing
- metrology
- service order arrangements
- Retailer of Last Resort (RoLR) arrangements
- dispute resolution.

Through this document, the commission seeks to advise the public and stakeholders of the reasons for the commission's final decision in relation to each material amendment.

As required by section 24 of the Act, the commission will give notice of any variation of the Code to the responsible Minister and each licensed entity to which the Code applies. A notice advising of variations to the Code will be published in the Northern Territory Government Gazette. The commission will also publish a copy of the revised Code on its website.

¹ Administrative Arrangements Order as at 27 February 2019.

Background

In 2011, in accordance with section 24 of the Act, the commission issued the Code. The Code was last amended on 18 January 2016, following consultation with the Minister and stakeholders, to clarify that the Retailer of Last Resort is Jacana Energy.

In April 2016, Power and Water Corporation (PWC) made an application for amendments to the Code.² PWC stated the request was in light of substantial reform to the Northern Territory electricity sector, including the introduction of a wholesale market in the Darwin-Katherine power system, structural separation of PWC and the entrance of new retailers.

In July 2016, the commission published a consultation paper in response to PWC's application for amendments to the Code, seeking submissions from interested stakeholders. It received submissions from PWC, Rimfire Energy and Jacana Energy.

Following consideration of submissions, the commission released a Positions Paper in May 2017 on proposed amendments to the Code. The commission again undertook extensive consultation with interested stakeholders. Written submissions were received from PWC and Jacana Energy. Subsequent to this, a letter was received from the Treasurer requesting that the commission consider including life support protection obligations on retailers and PWC. Further, Territory Generation (TGen) requested new credit support provisions be included in the Code.

In April 2018, the commission published a proposed amended Code and Statement of Reasons, which incorporated new draft life support equipment obligations and TGen's proposed amendments, and again invited submissions from interested parties. Submissions were received from the Department of Treasury and Finance (DTF), EDL NGD (NT) Pty Ltd, Jacana Energy, PWC and QEnergy Limited (QEnergy).

Following consideration of the 2018 feedback, in June 2019, the commission undertook a final consultation round, and published a Statement of Reasons document and associated draft amended Code. Feedback was sought by 2 August 2019, and written submissions in response to the final draft amended Code were received from:

- DTF
- Jacana Energy
- PWC
- TGen.

Further to the submissions, to assist in its understanding of stakeholder feedback, the commission sought and received further information and clarification from these stakeholders, including in some cases through face-to-face and teleconference meetings.

The commission has considered all feedback received previously and from the most recent Statement of Reasons in drafting this Final Amendments to the Electricity Retail Supply Code Statement of Reasons and the final amended Code, which commences on 1 December 2019.

² An electricity entity may make a request for the commission to vary or revoke parts of the Code under clause 2.2.1 of the Code.

The commission acknowledges that this final amended Code does not address all potential issues or gaps and that a full review of the Code from a first principles approach is needed given the evolving electricity supply industry in the Territory.

However, the commission is confident that this final amended Code does address the priority issues as informed by stakeholders.

SUMMARY OF FINAL AMENDMENTS

This chapter provides a summary of final amendments to the Code.

Further information and discussion on each amendment (that is material) is provided in the next chapter of this Statement of Reasons document (*Final Amendments and Considerations*).

Table 2: Summary of final amendments

No	Proposed amendment
<i>Introduction</i>	
1	Amendment to, and moving of, the Interpretation clause (new clause 1.7)
2	Amendment to Application clause (new clause 1.4.2)
3	Removal of Objectives clause
4	Addition of a Directions clause (new clause 1.6)
5	Addition of a Preservation of other obligations clause (new clause 1.8)
6	Addition of an Assistance and cooperation clause (new clause 1.9)
<i>Adding to or amending this Code</i>	
7	Amendment to clause 2.2.1
8	Amendment to clause 2.3.1
<i>Credit support requirements</i>	
9	Minor amendments to this section
<i>Network access (new title: Coordination)</i>	
10	Amendments to clause 4
11	Addition of new clause 4.1.2
<i>Metrology</i>	
12	Removal of (former) clause 5.1.3
<i>Market data and Billing</i>	
13	Removal of clause 6.1, including 6.1.1 and 6.1.2
14	Removal of (former) clause 6.2.3
15	Addition of new clauses 6.1.3 and 6.1.4
16	Removal of (former) clause 6.2.8
17	Amendment to (former) clause 6.2.9, now clause 6.1.9
18	Amendment to (former) clause 6.2.10, now clause 6.1.10
19	Amendment to (former) clauses 6.2.12 and 6.3.6, now clause 6.1.12 and 6.2.6

20	Addition of new clause 6.1.15
21	Addition of new clause 6.2.9
22	Addition of new Third Party Assistance clause (new clause 6.4)
23	Addition of new Billing clause (new clause 6.5)
<i>Business-to-business arrangements</i>	
24	Addition of new clause 7.1, including 7.1.1
25	Addition of new clauses 7.2.3, and 7.2.4
26	Addition of clauses 7.2.5, 7.2.6 and 7.2.7
27	Amendments to (former) clauses 7.1.5 and 7.1.6, now 7.2.11
<i>Customer transfers</i>	
28	Amendment to clause 8.2.4
29	Amendments to clauses 8.2.8 and 8.2.8.1
30	Addition of new clauses 8.2.10 and 8.2.11
31	Amendment to clause 8.2.18
32	Addition of Responsible retailers for greenfield and other exit points clause (new clause 8.3)
33	Addition of Third Party Assistance clause (new clause 8.4)
<i>Retailer of Last Resort</i>	
34	Amendment to clauses 9.2.2 and 9.2.3
<i>Life Support Equipment</i>	
35	Insertion of new section on life support equipment, largely based on the National Energy Retail Rules (NERR), but modified to take into account the Territory's unique circumstances (new clause 10)
<i>Dispute procedures</i>	
36	Only minor changes have been proposed to this section

FINAL AMENDMENTS AND CONSIDERATIONS

This chapter provides information and discussion on each final amendment (that is material), including feedback from stakeholders and the commission’s associated final decision.

Table 3: 2019 Consultation feedback and commission’s final amendments to the Code

Introduction

Issue	Final amendments and 2019 consultation feedback	Commission’s final decision
1	<p><u><i>Amendment to, and moving of, the Interpretation clause (new clause 1.7)</i></u></p> <p>No feedback was received on this issue as part of final consultation.</p>	<p>Proceed with 2019 draft amendment as proposed.</p>
2	<p><u><i>Amendment to Application clause (new clause 1.4.2)</i></u> - to clarify that the Code applies to electricity networks Territory wide regardless of whether the associated network is regulated by network access legislation.</p> <p><u>DTF</u></p> <p>DTF’s submission identifies that despite the amendment, the scope of the Code will not extend to unlicensed entities, and thus will not include Nhulunbuy (as Alcan Gove Pty Ltd is exempt from licensing under a section 87 <i>Electricity Reform Act 2000</i> exemption), and parties operating within embedded networks. DTF suggested that to the extent it is legally and practically able, the commission should consider the ability for the life support equipment provisions to be made available to these customers.</p> <p>Furthermore, DTF recommends that it may be prudent to review all clauses of the Code to ensure their application (or lack thereof) is appropriate for each network, in particular clauses 4.1, 5.1 and 8.3 given recent changes to the regulatory framework, including further application of the National Electricity Rules on 1 July 2019.</p> <p><u>PWC</u></p> <p>PWC’s submission suggests clause 1.4 be expanded to specify that certain aspects of</p>	<p>Proceed with 2019 draft amendment as proposed.</p> <p>The commission considers it important that aspects of the Code apply across the Territory, regardless of whether network access legislation applies in the associated electricity network or not. This is particularly important for the new obligations included in the Code to protect life support equipment customers.</p> <p>The commission has reviewed all clauses in the Code and is of the view that the final amended Code is appropriate in its application in each associated network.</p> <p>The commission considers it unnecessary to amend the Application clause to specify that certain sections of the Code are not applicable to IES communities and/or minor centres. However, the commission has amended some clauses within the Code to provide clarity on their application or otherwise in networks not regulated by network access legislation.</p> <p>The commission agrees with DTF that there are parties that should be subject to obligations in the Code, but are not due to issues such as current licensing exemptions and gaps in the regulatory framework. Accordingly, the commission will proactively engage with the Territory Government and make associated recommendations to address the issues, noting that these are ultimately policy issues of Government.</p>

	<p>the Code may not apply to Indigenous Essential Services (IES) communities and minor centres. Specifically, PWC suggested that it be made clear that sections on credit support arrangements, service order procedures, and network access agreements should not apply to IES communities.</p>	
3	<p><u>Removal of Objectives clause</u></p> <p>No feedback was received on this issue as part of final consultation.</p>	<p>Proceed with 2019 draft amendment as proposed.</p>
4	<p><u>Addition of a Directions clause (new clause 1.6)</u></p> <p><u>PWC</u></p> <p>PWC's submission supports the intent of this clause, but recommends expansion of the clause providing:</p> <ul style="list-style-type: none"> - when it can be applied - an ability for participants to appeal a direction - requirements for transparency - how this will tie into the regulatory framework - that a direction cannot be contrary to other legal or regulatory obligations. 	<p>Proceed with 2019 draft amendment as proposed.</p> <p>Expansion of this clause is not considered necessary at this time, noting it is similar to the Directions clause in the commission's Electricity Industry Performance Code.</p>
5	<p><u>Addition of a Preservation of other obligations clause (new clause 1.8)</u></p> <p>No feedback was received on this issue as part of final consultation.</p>	<p>Proceed with 2019 draft amendment as proposed.</p>
6	<p><u>Addition of an Assistance and cooperation clause (new clause 1.9)</u></p> <p><u>Jacana</u></p> <p>Jacana identifies concerns in its submission regarding what the assistance and cooperation obligations translate to in practice, and how compliance can be measured and/or enforced. It expressed preference for business to business and service provision procedures to be developed to mandate what is required of electricity entities to fulfil their obligations under applicable regulatory instruments.</p> <p>Jacana notes there are a number of procedures in the National Energy Market (NEM) and that the Australian Energy Market Operator has published a number of documents that explain, or provide additional</p>	<p>Proceed with 2019 draft amendment modified to address the possibility that electricity entities may have the ability to charge each other for provision of information or advice under other legislative instruments.</p> <p>The commission acknowledges Jacana's feedback, however considers the clause necessary to introduce a basic code of conduct.</p> <p>Introduction of supporting procedures and other documents similar to that in the NEM could be considered in the future following analysis of the potential costs and benefits.</p>

	<p>information to enable participants in the retail market to fulfil their obligations under the National Electricity Rules. Jacana suggests that until relevant procedures have been developed, the proposed section may have limited impact.</p> <p><u>PWC</u></p> <p>PWC requests that this clause be updated to reflect that costs are allowed through the Australian Energy Regulator (AER) for providing and making available information/documentation under the clause.</p>	
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Adding to or Amending this Code

Issue	Final amendments and 2019 consultation feedback	Commission's final decision
7	<p><u>Amendment to clause 2.2.1</u> - to expand who can request the commission to amend the Code.</p> <p>No feedback was received on this issue as part of final consultation.</p>	Proceed with 2019 draft amendment as proposed.
8	<p><u>Amendment to clause 2.3.1</u> - to take into account the removal of the Objectives clause.</p> <p>No feedback was received on this issue as part of final consultation.</p>	Proceed with 2019 draft amendment as proposed.

Credit support requirements

Issue	Final amendments and 2019 consultation feedback	Commission's final decision
9	<p><u>Minor amendments to this section</u></p> <p>Territory Generation's (TGen) submission notes that the commission's 2019 draft Code excludes the draft amendments proposed by TGen, which were included in the commission's April 2018 consultation documents, to require retailers that are late on payments to be obliged to provide credit support to the relevant generator, regardless of the retailer's credit rating.</p> <p>TGen reiterates its position that the Code should be updated to provide retailers with an incentive to ensure timely payment of statements charges, especially to retailers with a history of late payment.</p> <p>TGen states, among other things, that its proposed amendments are reasonable and</p>	<p>Proceed with 2019 draft amendment as proposed, including exclusion of TGen's proposed amendment.</p> <p>The commission would like to undertake further consultation with stakeholders on TGen's proposed amendments to require retailers that have a history of late payments to provide credit support to the relevant generator regardless of the retailer's credit rating. This will be done as part of the next review of the Code.</p>

	good policy and does not attempt to penalise any retailers in an unfair and unreasonable manner, and that it would only apply where there is a history of late payments.	
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Network access (New title: Coordination)

Issue	Final amendments and 2019 consultation feedback	Commission's final decision
10	<p><u>Amendments to clause 4</u> – to delete/replace references to 'Network Access Agreement' with 'Coordination Agreement' and '<i>Electricity Networks (Third Party Access) Act</i>' to 'Network Access Legislation'.</p> <p><u>DTF</u></p> <p>DTF's submission recommended that clause 4.1 be reviewed to ensure its application is appropriate for each network, noting the Code would serve no purpose in some networks and be unnecessarily onerous.</p> <p><u>PWC</u></p> <p>PWC's submission indicates this clause may not apply to IES communities where PWC operates as a generator, network provider and retailer.</p>	<p>Proceed with 2019 draft amendment and new amendments.</p> <p>The draft amendments to the Code that were proposed in June 2019 included the addition of the term 'Network Access Legislation', being the National Electricity Rules (NER), modified for the Territory's circumstances (NER NT), which replaced the <i>Electricity Networks (Third Party Access) Act</i> connection framework, among other things, from 1 July 2019 under the Territory Government's electricity market reform program.</p> <p>The 'Network Access Legislation' amendments to clause 4 were premised on the assumption that retailers and network providers would still be required to have in place a 'Network Access Agreement'.</p> <p>However, the NER NT does not require an agreement between a network provider and retailer. Instead network services are provided to the retailer on terms set out in the NER NT and the AER's network price determination. Notably, the NER and National Electricity Retail Rules (NERR) also establish a three-way relationship between the network provider, retailer and customer.</p> <p>As the Territory has only adopted part of the NER and has not adopted any of the NERR, the commission has decided to retain the requirement for an agreement to address the gaps arising from NERR provisions that are not replicated in the Code or NER provisions that have not been adopted. However, to address any potential confusion, and for consistency with associated licence conditions, the name of the agreement has been amended to 'Coordination Agreement'.</p> <p>The commission agrees with DTF's and PWC's feedback that the application of this clause in some networks may not be reasonable and as such, the commission has limited its application to where 'Network Access Legislation' applies, being the</p>

		Darwin-Katherine, Alice Springs and Tennant Creek networks.
11	<p><u>Addition of new clause 4.1.2</u> - to require a retailer to be registered with the market operator prior to participating in the Darwin-Katherine wholesale electricity market.</p> <p><u>DTF</u></p> <p>DTF's submission states that regulatory obligations associated with the Interim Northern Territory Electricity Market (I-NTEM) are contained in the System Control Technical Code (SCTC) and accordingly DTF considers previously proposed clauses 4.1.2 and 4.1.3 inappropriate. DTF further stated that if the proposed clauses are retained, they should be limited to the Darwin-Katherine electricity system.</p>	<p>Proceed with 2019 draft amendment in part.</p> <p>The commission agrees with DTF that regulatory obligations in relation to I-NTEM should be contained within one instrument, being the SCTC. However, the requirement for retailers to be registered with the market operator to participate in the Darwin-Katherine wholesale electricity market is not currently in the SCTC. Accordingly, this Code will fill the gap until the SCTC is updated.</p> <p>The clause has been amended from that previously proposed to limit the obligation to the Darwin-Katherine electricity system as requested by DTF.</p> <p>Previously proposed amendments that were originally requested by PWC, in relation to providing Network Access Agreements to the market operator, among other things, are not included in this final Code given the NER NT does not require Network Access Agreements (see discussion at Issue 10).</p> <p>Further, the previously proposed clause to ensure the terms of a Network Access Agreement require the retailer and network provider to comply with the new Life Support Equipment obligations in clause 10 is not included in the final Code. Electricity entities' licenses require them to comply with this Code and thus a specific clause is not considered necessary.</p>

Metrology

Issue	Final amendments and 2019 consultation feedback	Commission's final decision
12	<p><u>Removal of (former) clause 5.1.3</u> – to delete entire clause, noting PWC's proposed amendment to 5.1.2 has not been adopted.</p> <p><u>DTF</u></p> <p>DTF's submission recommends that clause 5.1 be reviewed to ensure its application is appropriate for each network, noting the Code would serve no purpose in some networks and be unnecessarily onerous.</p> <p><u>PWC</u></p> <p>PWC's submission proposes alignment in the language and terms used in the Code with the NER NT, which would require the term interval meter to be changed to 'Type 1 to 4</p>	<p>Clause 5.1.3 has been deleted as the Network Connection Technical Code referred to in the clause is no longer in effect (Chapter 7A of the NER NT now provides for metering arrangements).</p> <p>The remaining 5.1 clauses have been retained as these meter obligations, in relation to a customer transferring to a different retailer (referred to as churn), are not covered by the NER NT. While these clauses have been retained, the commission notes that they will simply not apply in the non-regulated networks where there is no retail competition.</p> <p>Consistent with its 2019 draft Code, the commission has not amended the term 'interval meter as requested by PWC. The commission's view is that while remote reading of interval meter data may</p>

	<p>meter'. PWC states this approach is in line with its original request that the Code be amended to require a 'remotely communications enabled interval meter' to transfer to a different retailer.</p>	<p>make the collection and processing of data and associated bills quicker and easier, it is not necessary. Further, the commission does not consider it necessary to align the term with that in the NER NT at this time, noting it may be considered as part of the next review of the Code.</p>
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Market Data and Billing

Issue	Final amendments and 2019 consultation feedback	Commission's final decision
13	<p><u>Removal of clause 6.1, including 6.1.1 and 6.1.2</u> – to delete entire clause in relation to use of market data.</p> <p><u>Jacana</u></p> <p>Jacana's submission notes that section 7A.9.3 of the NER NT addresses access to data and suggests that clause 6.1.2 of the 2019 proposed Code may no longer be required or may need amendment to align with the NER NT.</p>	<p>Proceed with new amendments.</p> <p>The commission has reviewed the NER NT and agrees with Jacana's observation that clause 6.1.2 is not required because the use of market data is covered in the NER NT.</p> <p>The commission has deleted clause 6.1.1, which required a retailer to comply with all applicable laws and codes as it is not necessary. Retailers must comply with applicable laws and codes in accordance with its retail licence conditions, among other things.</p> <p>Clause 6.1 has been deleted as clauses 6.1.1 and 6.1.2 are deleted.</p>
14	<p><u>Removal of (former) clause 6.2.3</u> - to delete clause which required verifiable consent from a customer before a retailer may request historical consumption data from a network provider.</p>	<p>Proceed with new amendment.</p> <p>The commission has reviewed the NER NT and considers the clause 6.2.3 requirement for verifiable consent is covered in the NER NT.</p>
15	<p><u>Addition of new clauses 6.1.3 and 6.1.4</u> - to provide the responsible retailer an ability to request historical consumption data to enable greenfield site customers to be billed for energy for which the responsible retailer is liable, and for the network provider to provide the associated data.</p> <p>No feedback was received on this issue as part of final consultation.</p>	<p>Proceed with 2019 amendments as proposed.</p>
16	<p><u>Removal of (former) clause 6.2.8</u> – to delete clause requiring the network provider to process a minimum of two standing data or historical consumption data requests per business day unless otherwise agreed between the network provider and retailer.</p> <p>No feedback was received on this issue as part of final consultation.</p>	<p>Proceed with 2019 amendment as proposed.</p>

17	<p><u>Amendment to (former) clause 6.2.9, now clause 6.1.9</u> – to amend the timeframe for a network provider to provide standing data in response to a valid data request from three business days to two business days.</p>	<p>Proceed with new amendment.</p> <p>The commission has amended the timeframe in relation to the provision of standing data to align with the NER NT as it would be problematic and confusing to have two obligations with different timeframes to provide the same data. The commission amended rather than deleted the clause because it may be relevant in networks not covered by the NER NT.</p>
18	<p><u>Amendment to (former) clause 6.2.10, now clause 6.1.10</u> – to delete the part of the clause (a) that allows a network provider to reject a valid data request if the retailer does not have a Network Access Agreement with the network provider.</p>	<p>Proceed with new amendment.</p> <p>There is no requirement for a Network Access Agreement under the NER NT. Accordingly, the ability for a network provider to reject a valid data request if the retailer does not have a Network Access Agreement is no longer relevant.</p>
19	<p><u>Amendment to (former) clauses 6.2.12 and 6.3.6, now clauses 6.1.12 and 6.2.6</u> – to delete the pre-requisite that for relevant charges to be payable by a retailer, they must be approved by the commission.</p> <p>Note: the draft 2019 Code had proposed to add that the charges may also be approved by the AER. This is not included in the final amendment.</p>	<p>Proceed with new amendments.</p> <p>A review by the commission has determined that these clauses, even with the addition of the AER as previously proposed, were problematic as there may be reasonable charges that the commission and/or the AER does not have the obligation or authority to approve. For example, the AER has the ability to classify services as ‘negotiated’ or ‘unclassified’ rather than ‘approving’ the charge.</p> <p>The commission notes that if PWC imposes charges on retailers that are inconsistent with an AER or commission determination or decision, it will be in breach regardless of these clauses in the Code.</p>
20	<p><u>Addition of new clause 6.1.15</u> – to provide for clauses 6.1.13 and 6.1.14, in relation to provision of data timeframes in respect of 10 or more meter installations, to expire on 1 January 2022.</p> <p>Note: the commission’s draft 2019 Code had proposed to delete these clauses (formerly clauses 6.2.13 and 6.2.14) and sought feedback, including an update from PWC on the introduction of its new Business to Business system.</p> <p><u>PWC</u></p> <p>PWC’s submission supports the removal of the clauses only when adequate systems are in place to handle high volumes of requests.</p> <p>In relation to amendments to timeframes for activities reliant on its systems, PWC proposes transitional arrangements be</p>	<p>Proceed with new amendments.</p> <p>The commission agrees with PWC’s proposal to align the timing for the deletion of this clause, which is reliant on improved systems for handling data requests, with transitional arrangements in the NER NT.</p>

	<p>provided similar to that in the NER NT.</p> <p>However, PWC has committed to continue to use best endeavours to process requests as they are received regardless of the minimum set in the Code.</p>	
21	<p><u>Addition of new clause 6.2.9</u> – to provide for clauses 6.2.7 and 6.2.8, in relation to provision of historical consumption data timeframes in respect of 10 or more meter installations, to expire on 1 January 2022.</p> <p>Note: the commission’s draft 2019 Code had proposed to delete these clauses (formerly clauses 6.3.8 and 6.3.9) and sought feedback, including an update from PWC on the introduction of its new Business to Business system.</p> <p><u>PWC</u></p> <p>PWC’s submission supports the removal of the clauses only when adequate systems are in place to handle high volumes of requests.</p> <p>In relation to amendments to timeframes for activities reliant on its systems, PWC proposes transitional arrangements be provided similar to that in the NER NT.</p> <p>However, PWC has committed to continue to use best endeavours to process requests as they are received regardless of the minimum set in the Code.</p>	<p>Proceed with new amendments.</p> <p>The commission agrees with PWC’s proposal to align the timing for the deletion of this clause, which is reliant on improved systems for handling data requests, with transitional arrangements in the NER NT.</p>
22	<p><u>Addition of new Third Party Assistance clause (new clause 6.4)</u> - to grant data access to a third party for the purpose of assisting the network provider to perform functions under clause 6.</p> <p>Note: the commission’s draft 2019 Code had proposed the words ‘including the System Controller’ be included in the amendment as originally requested by PWC.</p> <p><u>DTF</u></p> <p>DTF states that it is comfortable with the commission’s proposal that third parties may access data to assist the network provider in performing certain functions.</p> <p>However, DTF states that specifying the System Controller in the clause is unnecessary and may be perceived as</p>	<p>Proceed with 2019 draft amendment in part.</p> <p>The commission agrees that specifying the System Controller as a potential third party that may access data for the purpose of assisting the network provider to perform functions under clause 6 is not necessary. Accordingly, this reference has been removed in the final clause.</p>

	leading or as limiting the type of third parties that are able to access data.	
23	<u>Addition of a Billing clause (new clause 6.5)</u> - to require National Meter Identifiers in all bills. No feedback was received on this issue as part of final consultation.	Proceed with 2019 amendment as proposed.

Business-to-business arrangements

Issue	Final amendments and 2019 consultation feedback	Commission's final decision
24	<u>Addition of new clause 7.1, including 7.1.1</u> – to make clear that clause 7 in relation to business-to-business (B2B) arrangements, such as Service Order Procedures (SOP), do not apply when the network provider and retailer are part of the same legal entity. <u>PWC</u> PWC's submission indicates that B2B arrangements may not apply within IES communities where PWC is the generator, network service provider and retailer.	Proceed with new amendments. The commission agrees with PWC's feedback that the Code's B2B arrangements are not relevant where the one business provides end-to-end electricity supply. Accordingly, a new clause has been incorporated to make this clear.
25	<u>Addition of new clauses 7.2.3 and 7.2.4</u> - to enable a network provider or a retailer to submit a request to the commission to consider amendments it has proposed to the SOP, and for the commission to be able to approve those amendments. Note: the commission's draft 2019 Code proposed only the network provider be able to request amendments to the SOP. <u>Jacana</u> Jacana's submission welcomes the introduction of additional clauses for processes to amend existing SOPs. However, as the SOPs are B2B processes that involve the network provider and retailers, Jacana's view is that the clause should allow for a retailer (as well as the network provider) to submit a request to the commission to consider proposed amendments to the SOPs.	Proceed with 2019 draft amendments modified to include the retailer. The commission agrees with Jacana's request that the Code be amended to allow a retailer (and the network provider) to submit a request to the commission to consider proposed amendments to the SOP.
26	<u>Addition of new clauses 7.2.5, 7.2.6 and 7.2.7</u> – the addition of clauses to provide for amending existing SOPs, including subheadings for clarity.	Proceed with 2019 draft amendments. The commission acknowledges Jacana's feedback that it would like formal processes established for the submission and consideration of these requests. The

	<p><u>Jacana</u></p> <p>Jacana states that it would like to see formal processes established for the submission and consideration of proposed amendments to the SOPs.</p> <p>Further, Jacana's submission states that it understands that the development of B2B procedures is on the Territory Government's agenda, but the timeframe for development is unknown. Jacana would like to see an appropriate government body established in the near future to manage the development of B2B procedures, including a consultative process.</p>	<p>commission agrees that this would be beneficial, for the commission and relevant electricity entities, and will consider developing such processes in due course, subject to other priorities and sufficient resources.</p> <p>The commission will forward Jacana's feedback in relation to establishing a government body to manage the development of B2B procedures to the relevant department implementing the Territory Government's electricity reform program.</p>
27	<p><u>Amendments to (former) clauses 7.1.5 and 7.1.6, now 7.2.11</u> – to delete the pre-requisite that for relevant charges to be payable by a retailer, they must be approved by the commission.</p> <p>Note: the draft 2019 Code had proposed to add that the charges may also be approved by the Australian Energy Regulator (AER). This is not included in the final amendment.</p>	<p>Proceed with new amendments.</p> <p>A review by the commission has determined that these clauses, even with the addition of the AER as previously proposed, were problematic as there may be reasonable charges that the commission and/or the AER does not have the obligation or authority to approve. For example, the AER has the ability to classify services as 'negotiated' or 'unclassified' rather than 'approving' the charge.</p> <p>The commission notes that if PWC imposes charges on retailers that are inconsistent with an AER or commission determination, it will be in breach regardless of these clauses in the Code.</p>

Customer transfers

Issue	Final amendments and 2019 consultation feedback	Commission's final decision
28	<p><u>Amendment to clause 8.2.4</u> – to replace the terms 'Network Access Agreement' and 'Network Connection Technical Code' with 'Coordination Agreement' and National Electricity (NT) Rules' respectively.</p>	<p>Proceed with 2019 draft amendments.</p> <p>As discussed at Issue 10 above, the NER NT does not require a Network Access Agreement between a network provider and retailer and thus a reference to this is not appropriate to remain in the clause.</p> <p>However, the commission considers it reasonable that a customer transfer request form be rejected if there is no relevant agreement in place between the retailer and the network provider (a Coordination Agreement).</p> <p>Given the Network Connection Technical Code has been superseded by the NER NT, the term has been removed and replaced.</p>
29	<p><u>Amendments to clause 8.2.8 and 8.2.8.1</u> – to delete the pre-requisite that for relevant</p>	<p>Proceed with new amendments.</p>

	<p>charges to be payable by a retailer, they must be approved by the commission.</p> <p>Note: the draft 2019 Code had proposed to add that the charges may also be approved by the AER. This is not included in the final amendment.</p>	<p>A review by the commission has determined that these clauses, even with the addition of the AER as previously proposed, were problematic as there may be reasonable charges that the commission and/or the AER does not have the obligation or authority to approve. For example, the AER has the ability to classify services as 'negotiated' or 'unclassified' rather than 'approving' the charge.</p> <p>The commission notes that if PWC imposes charges on retailers that are inconsistent with an AER or commission determination, it will be in breach regardless of these clauses in the Code.</p>
30	<p><u>Addition of new clauses 8.2.10 and 8.2.11</u> – to provide a six month transitional for clause 8.2.9 (which prevents a mid-month churn) to expire and be replaced by new clause 8.2.11 in relation to the timing for a request to transfer a customer to another retailer.</p> <p><u>PWC</u></p> <p>PWC's submission states that it can implement the removal of the clause that prevents mid-month churns, however it requires adequate time to adjust its systems and processes.</p> <p>The commission requested further information from PWC in relation to this feedback, specifically the time and cost to implement the required system changes. PWC advised that modifications will take approximately two to three months and cost an expected \$30,000 to implement. Further PWC stated that it will need to utilise manual processes for mid-month churns for at least six months, with a more permanent solution to be available when its Network Billing System upgrade is complete, which could be at least two years.</p>	<p>Proceed with 2019 draft amendments modified to retain clause 8.2.9 for six months.</p> <p>While the commission acknowledges that there may be PWC system limitations in facilitating mid-month churns, and that there will be some cost involved, the commission considers the benefits to retailers and ultimately customers will outweigh the costs.</p> <p>A six month transition period has been provided for PWC to put in place the necessary system and process changes.</p>
31	<p><u>Amendment of clause 8.2.18</u> - to ensure retailers keep copies of verifiable consent for at least two years, regardless of erroneous transfers or retailer of last resort events.</p> <p>No feedback was received on this issue as part of final consultation.</p>	<p>Proceed with 2019 draft amendment.</p>
32	<p><u>Addition of Responsible retailers for greenfield and other exit points clause (new clause 8.3)</u></p>	<p>Proceed with 2019 draft amendment modified to achieve the policy intent and to decrease the frequency of reporting to the commission.</p>

	<p><u>DTF</u></p> <p>DTF's submission supports the overarching intent of the proposed requirements.</p> <p>Separately, DTF advised the commission that the clauses as drafted do not appear to achieve the policy intent.</p> <p>In relation to draft clause 8.3.8 for the network provider to provide quarterly reports to the commission, DTF states it understands the intent, however it is unclear whether there is likely to be a net benefit to quarterly reporting or whether an alternative frequency may be more appropriate.</p> <p><u>PWC</u></p> <p>PWC supports the inclusion of a clause that identifies Jacana as the default retailer for greenfield sites where another retailer has not 'signed up'. However, it notes that the current wording of the clause suggests Jacana is the only retailer that can 'sign up' a greenfield site. PWC states that this outcome was not the original intent</p> <p>In relation to draft clause 8.3.8 for the network provider to provide quarterly reports to the commission, PWC has suggested the timing be changed to annual as more often would place an unnecessary burden on the network provider, providing no value to the customer.</p>	<p>The commission agrees with DTF's and PWC's feedback that the 2019 draft clause was not consistent with the policy intent. Accordingly, the clause has been updated to ensure that where there is no retailer/customer contract in place for an exit point, Jacana Energy is the responsible retailer in the regulated networks (where the NER NT applies). In the unregulated networks, where there is only one licensed retailer, the responsible retailer is that retailer. This addresses instances such as in IES communities where PWC is the retailer.</p> <p>The commission has also modified the 2019 draft clause to ensure that any retailer, not just Jacana, can be the 'first' retailer for an exit point.</p>
33	<p><u>Addition of Third Party Assistance clause (new clause 8.4)</u> - to allow an appropriate third party to access data, including customer data for the purpose of assisting the network provider in performing functions under clause 8.</p> <p>Note: the commission's draft 2019 Code had proposed the words 'including the System Controller' be included in the amendment as originally requested by PWC.</p> <p><u>DTF</u></p> <p>DTF states that it is comfortable with the commission's proposal that third parties may access data to assist the network provider in performing certain functions.</p> <p>However, DTF states that specifying the System Controller in the clause is</p>	<p>Proceed with 2019 draft amendment in part.</p> <p>The commission agrees that specifying the System Controller as a potential third party that may access data for the purpose of assisting the network provider to perform functions under clause 6 is not necessary. Accordingly, this reference has been removed in the final clause.</p> <p>Following consideration of DTF's and PWC's feedback, draft clause 8.3.8 has been modified to reduce reporting to the commission in relation to greenfield exit points in the regulated networks of Darwin-Katherine, Alice Springs and Tennant Creek from quarterly to annually.</p>

	unnecessary and may be perceived as leading or as limiting the type of third parties that are able to access data.	
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Retailer of Last Resort

Issue	Final amendments and 2019 consultation feedback	Commission's final decision
34	<p><u>Amendment to clauses 9.2.2 and 9.2.3</u> - to require the commission to notify the network provider and system controller, in addition to Jacana, in relation to a potential or actual Retailer of Last Resort Event.</p> <p><u>PWC</u></p> <p>PWC's submission requests that the network provider, market operator and system controller be notified in relation to a potential or actual Retailer of Last Resort Event.</p>	<p>Proceed with new amendments.</p> <p>The commission agrees with PWC's feedback that the network provider and system controller should be advised, in relation to a potential or actual Retailer of Last Resort Event. Given the market operator is a function of the licensed system controller, the commission does not consider it appropriate or necessary to specify the market operator.</p>

Life Support Equipment

Issue	Final amendments and 2019 consultation feedback	Commission's final decision
35	<p><u>Insertion of new section on life support equipment, largely based on the NERR, but modified to take into account the Territory's unique circumstances (new clause 10)</u> – to introduce customer protection obligations for customers requiring life support equipment.</p> <p><u>Jacana</u></p> <p>Jacana supports the inclusion of life support equipment obligations for retailers and the network provider as proposed and advises they are well advanced in making the process changes required to achieve compliance with the new obligations.</p> <p><u>PWC</u></p> <p>PWC supports the introduction of the life support obligations directly into the Code and agrees with the inclusion of clause 10.6 (prepayment meters), however states that the blanket adoption of the obligations will create unintended consequences in remote communities and outstations. PWC states that customers in these areas will be best served through a revised process to take into account their unique circumstances. PWC also provides details on issues in relation to mining towns such as Jabiru and Nhulunbuy</p>	<p>Proceed with 2019 draft amendments modified to include specific provisions (10.1.2 and 10.7) in relation to life support equipment customers outside major centres.</p> <p>The commission notes that feedback received from Jacana and PWC is supportive of adopting the 2019 draft amendments to apply life support equipment obligations in the Territory that are consistent with that in the National Electricity Law and NERR, although amended to be fit-for-purpose for the Territory's circumstances.</p> <p>The commission agrees with PWC's proposed amendment to the timeframes, from '24 hours' to '1 business day' and has incorporated this into the final amendments.</p> <p>The commission does not agree with PWC's request to remove clause 10.4B.1(d)(ii) in relation to the requirement to obtain the life support customer's verifiable consent to a planned interruption occurring on a specific date. The commission considers clause 10.4B.1(d) provides sufficient flexibility for PWC to manage planned interruptions, noting a customer's verifiable consent is not necessary if the customer is provided at least four business days written notice in accordance with clause 10.4B.1(d)(i).</p>

<p>where there are legacy arrangements to be taken into consideration.</p> <p>PWC also proposes amendments to the 2019 draft clauses, specifically:</p> <ul style="list-style-type: none"> • to change the timeframe of '24 hours' to '1 business day', due to issues faced during standard or long weekends • clause 10.4B.1(d)(ii) to be removed, as it will require the network provider to gain the 'customer's verifiable consent' prior to performing any planned works that require interruptions, which PWC states will create delays in performing maintenance and will lead to longer unplanned interruptions when a customer refuses to consent to required maintenance. 	<p>The commission appreciates PWC's comprehensive feedback in relation to potential issues with the application of the 2019 draft amendments in areas outside the regulated networks of Darwin-Katherine, Alice Springs and Tennant Creek.</p> <p>Following consideration of PWC's feedback, the commission has included a clause (10.1.2) to limit the detailed life support equipment obligations to the regulated networks of Darwin-Katherine, Alice Springs and Tennant Creek. In place of these obligations, to protect customers in IES and other towns and communities, new clause 10.7 requires a retailer and network provider to provide to the commission for approval within three months of the commencement of version 3 of the Code, life support equipment procedures for each geographical area that seek to deliver similar outcomes to that for customers in the regulated systems.</p> <p>As part of the review of this Code and in considering how life support equipment obligations may be applied, the commission has identified some gaps whereby customers being supplied electricity by an unlicensed entity, such as where there is a section 87 licence exemption in place or where the customer is within an embedded network, will not be protected. The commission considers that appropriate life support equipment protections should be in place for as many Territory electricity customers as possible. Accordingly, the commission is actively engaging with the Territory Government on this issue.</p>
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Dispute Resolution Procedures

Issue	Final amendments and 2019 consultation feedback	Commission's final decision
36	<u>Minor amendments to this section</u> No feedback was received on this issue as part of final consultation.	Proceed with 2019 draft amendments.

OTHER FINAL MINOR AMENDMENTS

The final amended Code includes other minor amendments, including grammatical changes, changes to references to legislation, changes to terminology and changes to definitions to reflect the ongoing reforms and adoption of the National Electricity Law and Rules.

Other minor proposed amendments include the renaming of Appendix A to Annexure 5 and associated renumbering, and a correction to an example within Annexure 5.