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Record number: D2022/506806

Container number: F2017/2807

Lyndon Rowe
Utilities Commissioner
Utilities Commission of Northern Territory
GPO Box 915
DARWIN NT 0801

Dear Mr Rowe,

Lyndon

Electricity Retail Supply Code Review October 2022 - Response

Power and Water Corporation (PWC) appreciates the opportunity to review and provide the following comments on the revised Electricity Retail Supply Code (ERSC) and Draft decision dated 31 October 2022 published by the Utilities Commission.

PWC notes the comments made by the Commission on Section 5 Metrology and supports the decision to make no alterations to this section of the ERSC.

PWC supports the comments and changes made by the Commission in relation to the adoption of Market Settlement and Transfer Solutions (MSATS) for use in the NT. The proposed changes align with the Northern Territory Electricity System and Market Operator (NTESMO) Communications Guideline and will ensure that there is no conflicting requirements between the ERSC and the Communications Guideline for market participants in the areas of customer transfers and Business to Business transactions.

PWC's NTESMO team however has some concerns around the removal of the Retailer of Last Resort (RoLR) provisions from the ERSC as this could have the potential to impact on NTESMO's ability to meet its obligations for market settlements under the System Control and Technical Code. NTESMO's obligation require calculation of amounts owing by retailers to the generators. The calculations are done on the basis of *settlement by difference* with any residual load being charged to Jacana Energy. In the instance that a retailer has ceased trading there can be active customers of that retailer still consuming energy. If the retailer has ceased trading then NTESMO is not able to allocate and charge the energy used by the active customers of that retailer to that retailer in its calculations. If the energy is not correctly accounted for, it will be charged to Jacana Energy under *settlements by difference*, which is not a correct market outcome, as Jacana's customers have not used this energy and Jacana has no mechanism for recovering this money.

The Retailer of Last Resort provisions of the ERSC provides Jacana Energy, as the Retailer of Last Resort, a mechanism for recovering the money from the end use customers via the default tariffs. With the removal of the RoLR provisions there is potential that market settlements could result in a retailer being billed for

energy not used by their customers. On this basis PWC's NTESMO team does not support the removal of the Retailer of Last Resort provisions from the ERSC. PWC acknowledges that the Commission has concerns on the legality of these provisions and is working with the Office of Sustainable Energy to correct the legislative concerns, however until the legislation is amended NTESMO does not support removing these clauses from the ERSC.

PWC's Customer Experience and Operations team has some practical challenges with meeting the proposed changes in relation to identifying and monitoring customers with prepayment meters. PWC's current practice is to offer vouchers to customers with prepayment meters who report hardship however, there is limited information kept in relation to customers on prepayment meters. With respect to other jurisdictions, PWC's Customer Experience and Operations team has enquired with other retailers and has not identified another retailer that collections information of prepayment meter customers. Some clarity on the Commissions expectations with respect to these challenges would be appreciated.

If you have any further questions or require any further information concerning this response please contact Chris Hanlon on 8923 4688 or by email at christopher.hanlon@powerwater.com.au.

Yours sincerely,



Djuna Pollard
Chief Executive Officer

16 December 2022