
ELECTRICITY RETAIL SUPPLY CODE

STATEMENT OF REASONS

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CHAPTER 1

Intention to make an Electricity Retail Supply Code

1.1 The Utilities Commission has decided to make an Electricity Retail Supply Code (Code) to prescribe matters including:

- arrangements between electricity businesses for the transfer of customers between retailers;
- arrangements between generators and retailers including credit support and billing;
- arrangements between electricity businesses for metrology;
- arrangements between electricity businesses for business to business interaction;
- arrangements for a retailer of last resort; and
- arrangements for dispute resolution between electricity businesses.

Purpose of this Statement of Reasons

1.2 The purpose of this Statement of Reasons is to:

- provide a response to the comments made by submitters on the Code;
- detail the purpose and rationale for the provisions of the Code; and
- notify the Minister, licensed electricity entities and interested parties of the Commission's making of an Electricity Retail Supply Code.

Authority for Code

1.3 The Commission may make codes or rules relating to the conduct or operations of the electricity supply industry or licensed electricity entities if authorised to do so by the *Electricity Reform Act* or a Regulation under the *Utilities Commission Act*.¹

1.4 Utilities Commission Regulation 2A authorises the Commission to make a code about retail supply in the electricity supply industry. The code may deal with one or more of the following:²

- transfer of customers between retailers;
- credit support arrangements;
- billing;
- metrology;
- service order arrangements;

¹ *Utilities Commission Act* ss24(1) and (2).

² Utilities Commission Regulations 2A.

- retailer of last resort arrangements;
- dispute resolution.

Code making considerations and objectives

1.5 In performing its code making function, the Commission must have regard to the need:³

- (a) to promote competitive and fair market conduct;*
- (b) to prevent misuse of monopoly or market power;*
- (c) to facilitate entry into relevant markets;*
- (d) to promote economic efficiency;*
- (e) to ensure consumers benefit from competition and efficiency;*
- (f) to protect the interests of consumers with respect to reliability and quality of services and supply in regulated entities.*

1.6 The Commission is also guided in performing its functions by the objectives of the *Electricity Reform Act*:⁴

- (a) to promote efficiency and competition in the electricity supply industry;*
- (b) to promote the safe and efficient generation, transmission, distribution and selling of electricity;*
- (c) to establish and enforce proper standards of safety, reliability and quality in the electricity supply industry;*
- (d) to establish and enforce proper safety and technical standards for electrical installations;*
- (e) to facilitate the maintenance of a financially viable electricity supply industry; and*
- (f) to protect the interests of consumers of electricity.*

Code making process

1.7 The Commission must, before making, varying or revoking a code or rules, consult with the Minister and representative bodies and participants in the electricity supply industry.⁵

1.8 The Commission must give notice of the making, variation or revocation of a code or rules to the Minister and each licensed electricity entity to which the code or rules apply, and ensure that copies of the code or rules are available for inspection and

³ *Utilities Commission Act* s6(2).

⁴ *Electricity Reform Act* s3.

⁵ *Utilities Commission Act* s24(4).

purchase by members of the public.⁶ Notice of the making of a code or rules, or the variation or revocation of a code or rules is to be published in the Gazette.⁷

- 1.9 A code or rule, or variation or revocation of a code or rule, takes effect on the date on which it is notified in the Gazette or a later date specified by the Commission in the code or rules.⁸

Initial work by Northern Territory Treasury

- 1.10 This Code is based on extensive initial work by Northern Territory Treasury, including consultations with electricity industry participants. The Commission has been guided by this initial work in developing this Code.

Purpose of this Code

- 1.11 The Commission received an application for a licence authorising the selling of electricity in the Territory (a Retail Electricity Licence) from QEnergy Limited (QEnergy) in November 2010. The Commission considered the application in accordance with the requirements of the *Electricity Reform Act* [s16] and granted a Retail Electricity Licence to QEnergy in February 2011.
- 1.12 The entry of a second electricity retailer into the Territory electricity market highlighted that more specific regulatory arrangements were necessary to facilitate electricity retail supply activities in the Territory's electricity market.
- 1.13 This Code is intended to provide appropriate certainty to electricity retailers, the network service provider and electricity generators about the rules and obligations associated with retail supply activities.
- 1.14 The objective of this Code is to document and codify the arrangements that are immediately necessary to support effective business to business interactions and to provide appropriate customer protection. The matters covered by this Code are:
- the arrangements for transferring customers between retailers;
 - the arrangements relating to credit support requirements and billing between the network service provider and retailers, and between generators and retailers;
 - the arrangements between retailers and network service providers for metrology;
 - retailer of last resort arrangements; and
 - a dispute resolution process in the event of disputes between electricity businesses.

Consultation

- 1.15 The Commission released the draft Code on 21 June 2011, seeking submissions from interested parties on the proposed Code and any other matters considered relevant to

⁶ *Utilities Commission Act* s24(6).

⁷ *Ibid*, s24(7).

⁸ *Ibid*, s24(8).

the effective performance of retail supply activities in the Territory. Submissions were due by 6 July 2011.

- 1.16 The Commission received submissions from PWC, QEnergy and the Northern Territory Major Energy Users (NTMEU).

CHAPTER 2

Explanation of this Code

- 2.1 The purpose and reasons for the provisions of this Code are explained below. This section of the Statement of Reasons should be read together with this Code (released together with this document).

Purpose of this Code

Proposed approach in the draft Code

- 2.2 The purpose of this Code is to provide electricity market participants in the Territory with a regulatory instrument which provides the framework and mechanisms for retail competition between retailers for contestable customers. This Code specifically deals with issues relating to:
- the transfer of customers between retailers,
 - credit support arrangements, so as to ensure the financial integrity of the electricity market,
 - billing arrangements,
 - metrology and business to business arrangements, and
 - retailer of last resort (RoLR) mechanism to cater for any retailer failure.
- 2.3 In making this Code, the Commission has:
- sought to promote and achieve the object of the *Utilities Commission Act*;
 - sought to promote and achieve the objects of the *Electricity Reform Act*; and
 - had regard to the matters listed in section 6(2) of the *Utilities Commission Act*.

Views in submissions

- 2.4 No comment was made in relation to the Commission's authority or purpose of this Code.

Commission's determination

- 2.5 The Commission does not intend to make further changes to the purpose of the Code.
- 2.6 The Commission notes that the Commission's authority for the matters dealt in the Code may need to be enhanced depending on experience with operating this Code, industry practice and development of the regulatory framework.

Amending this Code

Proposed approach in the draft Code

- 2.7 This Code allows for amendments and suitable variations of the proposed Code, which will be managed through the Commission's code change process in accordance with clause 2 of the proposed Code and section 24 of the *Utilities Commission Act*. This

process will allow stakeholders and participants to have suitable input and comments on the proposed code variations to be considered by the Commission.

Views in submissions

2.8 No party objected to the Commission's ability to amend the Code.

Commission's determination

2.9 The Commission does not intend to make further changes to the process for amending the Code.

Credit Support Requirements

Proposed approach in the draft Code

2.10 The credit support requirements outlined in the draft Code are between:

- a) a retailer and the network provider (network credit support); and
- b) a retailer and the generator (generator credit support).

2.11 The credit support requirements prescribed in the draft Code are intentionally aligned to existing national energy market frameworks that already exist in the NEM.

2.12 The draft Code applies an investment grade credit rating as the minimum credit benchmark from Standard and Poor's, Moody's Rating Services or Fitch Ratings for which there is no requirement for generator credit support.

2.13 For retailers without an investment grade credit rating, the required generation credit support amount is based on a benchmark of a maximum of 2 times the forecast generation services bill.

2.14 The requirement for network credit support has been based upon the NECF.

2.15 There has been some limited alignment between the workings of the network credit support and generation credit support clauses. This includes using the same 20 business day time frame for notices and applying the same 110% and 90% levels in clauses 3.2.2 and 3.2.3 for generation credit support and in clauses A.A.13 and A.A.14 for network credit support.

2.16 Inability to meet the credit support requirements could lead to a new entrant retailer not being provided with access to either wholesale electricity from a generator or network access from a network provider. Where credit support requirements are breached for a retailer, a RoLR event may be triggered unless the breach is rectified as detailed further in this document.

2.17 Retailers, the generator and the network provider can negotiate and agree alternative credit support arrangements. However the proposed Code provides a safety net for retailers of the maximum credit support requirements they can be required to provide.

Views in submissions

2.18 NTMEU expressed the view that credit support requirements on a new entrant retailer do not apply equally to PWC Retail. This situation gives PWC a commercial advantage.

2.19 QEnergy supported the Commission's adoption of the NECF approach to determine the amount of credit support required between a retailer and a network provider. However, it did not support the proposed credit support requirements between a

generator and a retailer. QEnergy was of the view that providing two times the forecast highest monthly generation services charges bill will incentivise retailers to make inefficient investment in generation capacity at a time when it would not be optimal for the Territory market. QEnergy suggested that the credit support amount between a generator and a retailer be set to 14 days.

2.20 QEnergy did not support the wording of subclause 3.4.1(d):

3.4.1 The form of the credit support shall be any combination of:

*(d) Such other forms of credit support that the **network provider** or the **generator** (whichever is applicable) determines as being acceptable at its sole discretion.*

2.21 QEnergy considered that this provision provides the generator or network provider the ability to establish a form of credit support that the retailer may not be able to obtain. QEnergy suggested changing the wording of this provision to ensure that the ability to establish a form of credit support cannot be decided without the retailer's agreement.

2.22 PWC noted that, in the draft Code, the requirement of a minimum of \$10,000 for credit support had been removed from the earlier version of the Code. PWC contended that credit support calculations are highly sensitive to the number of customers for a retailer. This could present some level of exposure to PWC in the case of a retailer or retailers with a small customer base.

Response to views in submissions

2.23 In response to NTMEU, the Code has been developed with a view to balance the need to safeguard the interest of the generator and the need to support retail competition in the Territory. The Commission is of the view that retail competition in the Territory should be facilitated without compromising the financial viability of a retailer, generator or network provider. The risk of default faced by PWC when contracting with a new entrant electricity retailer could be potentially significant (depending on the size of its customer(s)).

2.24 The Commission notes that the credit support arrangements established by AEMO are as follows:

- 35 days to cover one monthly billing period (that is, a month plus a few days to allow for extended holiday periods); and
- 7 days to trigger the RoLR process.

2.25 This approach was developed as a result of their continuous monitoring of the risk of a retailer defaulting and a well established RoLR trigger process.

2.26 Following consideration of the above matters, the Commission has decided that two times the highest forecast generation bill charges strikes an appropriate balance between the need to reduce the generator's credit risk exposure and supporting retail competition.

2.27 The Commission is, however, prepared to review the existing credit support arrangements should there be evidence of significant adverse effects on the market operations as a result of the implementation of the Code.

2.28 In response to QEnergy's suggestion to reduce the credit support requirements between a generator and a retailer down to 14 days, the Code has been drafted

without specifying the billing time period (e.g. monthly) to enable the retailer and generator to negotiate shorter billing time periods (e.g. weekly or fortnightly) to suit their own particular circumstances. Moreover, the Code stipulates that a network provider or generator may require a retailer to provide credit support up to the required credit support amount [clauses 3.1.1 and 3.2.1]. The parties are free to negotiate in good faith their own credit support arrangements. However, should they decide not to, the default credit support arrangements apply.

- 2.29 The Commission sees merits in amending subclause 3.4.1(d) to reflect QEnergy's concerns about being unable to have a say about the form of credit support (other than those explicitly listed). As a result the Commission has decided to adopt QEnergy's suggested wording:

3.4.1 The form of the credit support shall be any combination of:

*(d) such other forms of credit support that the **network provider** or the **generator** (whichever is applicable) agrees with the **retailer** as being acceptable.*

- 2.30 Further, the Commission considers that the reference to cash as a form of credit support in subclause 3.4.1(c) is not required as it is captured in subclause 3.4.1(d). The Commission has decided to delete subclause 3.4.1(c) as the reference to cash is seen as redundant.
- 2.31 In response to PWC, in drafting the proposed Code, the Commission has sought to make the credit requirements consistent with the NECF. This entails the removal of the \$10,000 minimum credit support. The Commission recognises that, should there be multiple small retailers in the Territory, there might be some level of exposure to a generator. However, the Commission considers this unlikely at this stage. The Commission is of the view that, in the current circumstances, PWC's exposure is not sufficiently material to require a deviation from the NECF. Should there be evidence of significant financial risk for PWC in future, the Commission would be prepared to review the Code.

Commission's determination

- 2.32 The Commission does not intend to make further changes to the proposed credit support arrangements, with the exception of subclause 3.4.1 which reflects QEnergy's proposal and no longer makes reference to cash as a form of credit support.

Network Access

Proposed approach in the draft Code

- 2.33 The draft Code sets out that, in order for retailers to have access to the network (on behalf of their customers), there is a requirement for them to enter into a network access agreement with the network provider. The network access agreement is expected to be based on a standard agreement provided by the network provider, capable of being negotiated and agreed to by the parties to the agreement.
- 2.34 The network access agreement forms the contractual basis for the relationship between the network provider and the retailer including rights and obligations for each party.

- 2.35 The network provider is also required to have a standard distribution contract covering the standard terms and conditions on which the network provider connects a customer's supply address to its electricity distribution network, maintains that connection and supplies electricity to the supply address.

Views in submissions

- 2.36 No comment was made in relation to the network access arrangements.

Commission's determination

- 2.37 The Commission does not intend to make further changes to the proposed network access arrangements.

Metrology

Proposed approach in the draft Code

- 2.38 The draft Code restricts customer transfer to those customers with interval meters.

Views in submissions

- 2.39 QEnergy did not support the Commission's position to restrict customer transfer to those with interval meters. QEnergy considered that such provision represents a barrier to entry. At the very least, customers should be given the option of having their meter replaced.

Commission's response

- 2.40 The Commission's rationale for restricting customer transfer to those customers with interval meters is detailed in the Consultation Paper.⁹ Currently PWC does not have the capability to accommodate the transfer of customers with accumulation meters. Only those customers with an annual consumption greater than about 500 megawatt hours currently have interval meters.
- 2.41 The Commission expects, however, that PWC consider various options that will ensure that retail contestability is available to all customers regardless of their consumption levels.
- 2.42 As a result, the Commission has decided to adopt a pragmatic position by limiting the transfer of customers to those with interval meters. However, these arrangements are temporary and the Commission expects to review this matter at a later stage.
- 2.43 In response to QEnergy's suggestion that customers should be given the option of having their meter replaced, the proposed Code does not preclude customers from requesting the installation of interval meters in clause 7.1.3(d):

Business-to-business services include, but are not limited to, requests for:

(d) installing a new (or changing an existing) meter.

⁹ Utilities Commission, July 2011, Electricity Retail Supply Code – Consultation Paper, pages 13-4.

Commission's determination

- 2.44 The Commission does not intend to make further changes to the proposed metrology arrangements at this stage.

Market Data

Proposed approach in the draft Code

- 2.45 The draft Code restricts the use of customer data by a retailer to provide the customer with a quote or to initiate a customer transfer.
- 2.46 The network provider is required to process a minimum of two requests per day but may consider processing a higher number if needed.
- 2.47 The retailer may be charged a fee approved by the Commission to recover the reasonable costs incurred by the network provider in providing the data.
- 2.48 A customer can also request the network provider to be provided with its historical consumption data. Customer's use of its own data is not restricted.

Views in submissions

- 2.49 PWC pointed out that, while the draft Code enables the network provider to recover from the retailer the costs incurred in providing data [cl.6.2.12], there was no similar provision with respect to customer data requests [subsection 6.3]. PWC suggested that a provision be added to enable PWC to charge customers for the costs associated with providing data to them.

Commission's response

- 2.50 The Commission agrees with PWC that the network provider should be allowed to recover the costs associated with the provision of data to customers.

Commission's determination

- 2.51 The Commission does not intend to make further changes to the proposed market data arrangements, with the exception of subsection 6.3 where a new provision has been added to enable the network provider to recover from customers the reasonable costs associated with customer data requests.

Business to Business (B2B) Arrangements

Proposed approach in the draft Code

- 2.52 The draft Code sets out that the network provider will be responsible for developing service order procedures within 5 business days after the commencement date of the Code which must be approved by the Commission.
- 2.53 The B2B arrangements will deal with services such as:
- customer connection;
 - customer disconnection; and
 - special meter reads and the installation of new meters.
- 2.54 The B2B arrangements (as approved by the Commission) will be available to a retailer upon request.

Views in submissions

2.55 PWC contended that the requirement to submit service order procedures no later than five business days of the commencement of the Code [cl.7.1.1] is unreasonable given the considerable amount of work. PWC was also concerned that the list of the B2B service requests in clause 7.1.3 is not exhaustive, resulting in uncertainty as to what is expected.

2.56 PWC recommended that:

- the list of B2B service requests in clause 7.1.3 be prescriptive; and
- the timeframe to submit the service order procedures to the Commission be changed to three months.

Commission's response

2.57 Given the arrangements and relationship between PWC Retail and PWC Networks in accordance with the provisions of the Ring-fencing Code, the Commission would expect PWC to have a good understanding of the basic set of obligations and procedures required for the procurement of business-to-business services. This is also demonstrated by the list of services provided by PWC Networks as part of the Alternative Control Services (e.g. remove, exchange or replace meter, temporary disconnection). The Commission also notes that the procedures developed as part of the network access agreement between QEnergy and PWC Networks could be used as the basis for developing service order procedures. The Commission would expect these arrangements to be similar to those applicable to any retailers.

2.58 However, should PWC's existing B2B procedures not be entirely suitable to all retailers, the Commission expects PWC to apply judgment and adopt best industry practice. The Commission also considers that the format of the service order procedures should be fit for purpose.

2.59 Given the above considerations, the Commission considers that 20 business days would be adequate for PWC to develop and submit service order procedures.

Commission's determination

2.60 The Commission does not intend to make further changes to the proposed B2B arrangements, with the exception of clause 7.1.1 where the timeframe for the network provider to provide and submit service order procedures has been extended to 20 business days.

Customer Transfers

Proposed approach in the draft Code

2.61 The proposed Code stipulates that, in order for a customer to be transferred, a retailer must:

- obtain suitable verifiable consent from that customer; and
- ensure that the appropriate cooling off requirements is met as specified under Australian Consumer Law.

2.62 The proposed Code sets out notices (in the form of request forms) that must be submitted to initiate a customer transfer as well as the timelines and process for transfer or rejection of the transfer of a customer.

- 2.63 Electricity consumption data is owned by the customer and the customer has the right to obtain that data for their own purposes, including to pass on to another electricity retailer.

Views in submissions

- 2.64 PWC proposed that once a customer has transferred onto a negotiated contract with an alternative retailer they are no longer eligible to return to the standard supply contract.
- 2.65 PWC also proposed that a clause be included in the Code, enabling the existing retailer to reject a proposed customer transfer on certain grounds (e.g. outstanding debt). PWC referred to the transfer objection provisions set out by AEMO in the Market Settlement and Transfer Solutions (MSATS) procedures.¹⁰ Under the proposed provisions in the draft Code, only the network provider is able to reject a customer transfer.

Response to views in submissions

- 2.66 In response to the first point raised by PWC, the Commission understands that a customer transferring back to PWC may not be eligible to a standard supply contract due to the application of Northern Territory Electricity Tariff Orders. The Commission is of the view that decisions on how pricing orders are applied are policy issues which need to be referred to Government.
- 2.67 In response to PWC's proposition to add a clause enabling the existing retailer to reject a proposed customer transfer, the Commission is of the view that a retailer's objections to transfer a customer would tend to overlap with those of a network provider. For example, clause 8.2.4 of the Code provides that a network provider may reject a customer transfer request for the following reasons: incorrect standing data, inconsistent or non-functioning meter, or erroneous nominated transfer date.
- 2.68 Moreover, the Commission understands that key reason for a retailer to object a customer transfer would be in relation to that customer's outstanding debt. The Commission notes that 'debt' is included in the list of objections in the MSATS Procedures applicable to Consumer Administration and Transfer Solution (CATS) participants.¹¹ However the debt objection does not apply to electricity retailers in all jurisdictions. For example, retailers in South Australia and New South Wales are not permitted to object a proposed transfer of customers on the basis of debt. In South Australia, the expectation is that the retailers should be active in monitoring their customer's payment history and minimising their risk of non-payment.¹² In Victoria, the

¹⁰ Australian Energy Market Operator, October 2010, MSATS Procedures: CATS Procedure Principles and Obligations, section 4.7, page 40.

¹¹ Ibid.

¹² Energy Competition Committee, Queensland Government, August 2007, Guidelines for the Use of Debt and Contract Objection Codes – draft proposal.

Electricity Customer Transfer Code provides that retail can object to a proposed transfer using the 'debt' objection as long as the debt is 'certified debt'.¹³

- 2.69 At this stage, the Commission is not convinced that customer transfer arrangements need to be more prescriptive to safeguard PWC Retail. In line with the South Australian approach, the Commission is of the view that electricity retailers in the Territory should be encouraged to manage their customers' accounts pro-actively and rely on the existing debt collection mechanisms available to them. As a result the Commission considers that providing retailers the right to reject a customer on the grounds of outstanding debt is not warranted.

Commission's determination

- 2.70 The Commission does not intend to make further changes to the proposed customer transfer arrangements.

Retailer of Last Resort (RoLR)

Proposed approach in the draft Code

- 2.71 The draft Code establishes that the appointed RoLR in the Territory is PWC Retail.
- 2.72 The draft Code sets out the criteria that would give rise to a RoLR event, including:
- the inability for a current retailer to meet its credit support requirements; or
 - the cancellation or suspension of a retail licence.
- 2.73 The Commission will have the ultimate discretion as to whether a RoLR event should be invoked. In its absolute discretion and with the information that it has available, the Commission will ensure that the criteria to invoke a RoLR have been met before triggering such an event.
- 2.74 The draft Code also prescribes the notification process for the Commission to affected parties as well as the notification process for the RoLR to affected customers. The Commission has not created timelines for which customers are to stay or to be removed from the RoLR (or default) tariff as per the NECF. Instead, given the RoLR will provide notification of a default tariff and options for alternative supply to affected customers, it is the Commission's expectation that this mechanism will provide an incentive for customers to seek an alternative retail supply option.

Views in submissions

- 2.75 PWC was of the view that Section 9 of the draft Code lacked details as to what happens to the customer during the period prior to the Commission's announcement of a RoLR.
- 2.76 Moreover, PWC was concerned that the draft Code does not set out the methodology or process for determining RoLR tariffs.
- 2.77 Finally, the draft Code does not outline the terms and conditions for customers when transferring as a result of a RoLR event being invoked. PWC was particularly concerned about the lack of controls necessary to mitigate high risk customers.

¹³ Essential Services Commission, October 2007, Electricity Customer Transfer Code, clause 5.2(b).

Response to views in submissions

- 2.78 The Code does not purport to comprehensively cover all matters relating to a RoLR event. The Commission accepts that a number of issues relating to RoLR will need to be clarified to provide greater certainty to the appointed RoLR and customers affected by a RoLR event. As a result, the Commission intends to develop further guidelines.

Commission's determination

- 2.79 The Commission does not propose to make any change to the section defining the RoLR arrangements in the draft Code.
- 2.80 The Commission intends to develop guidelines to clarify a number of matters relating to RoLR.

Dispute Process

Proposed approach in the draft Code

- 2.81 The intention with the draft Code is to allow the disputing parties to resolve the outstanding dispute firstly amongst themselves which includes elevating the dispute to the highest company officials for resolution if required.
- 2.82 The draft Code sets out that disputes will only be brought to the Commission as a last resort.
- 2.83 The draft Code provides that the Commission will endeavour to make a determination on the dispute within 20 business days after it is appointed to consider the dispute. However, the Commission may elect to seek further clarification or may enter into its own investigations in relation to the dispute and therefore has the discretion to make a determination within a longer period of time. The Commission will liaise with the disputing parties about the timeframe for making a determination.
- 2.84 The Commission may also elect to appoint an arbitrator or an independent expert or put in place other measures to attempt to expedite the dispute if it considers it necessary.
- 2.85 The Commission may elect to recover the costs associated with the dispute resolution process and may make a determination in this regard.

Views in submissions

- 2.86 No comment was made in relation to the arrangements relating to the Dispute Process.

Commission's determination

- 2.87 The Commission does not intend to make further changes to the proposed dispute process.

Appendix A – Credit Support Guidelines and Methodology

Proposed approach in the draft Code

- 2.88 The guidelines in the draft Code expect to provide guidance to network providers and retailers on the expected credit support requirements to be provided. The guidelines are largely representative of what is adopted with the NECF and as a result are based on a national framework as previously discussed in section on Credit Support Requirements.

Views in submissions

2.89 No comment was made in relation to the arrangements relating to the Credit Support Guidelines.

Commission's determination

2.90 The Commission does not intend to make further changes to the Credit Support Guidelines in Appendix A of the Code.