NORTHERN TERRITORY OF AUSTRALIA

ELECTRICITY RETAIL SUPPLY CODE

3 August 2011

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1 Introduction

1.1 Authority

1.1.1 This **Code** is made by the **Commission** under section 24 of the **Act**.

1.1.2 The **Commission** is authorised to make a code relating to retail supply in the electricity supply industry under section 24 of the **Act** and regulation 2A of the *Utilities Commission Regulations*.

1.2 Scope

1.2.1 Without limiting clause 1.1.2, the **Code** may deal with any one or more of the following:

(a) **transfer** of **customers** between **retailers**;

(b) credit support arrangements;

(c) billing;

(d) metrology;

(e) service order arrangements;

(f) **Retailer of Last Resort** arrangements; and

(g) dispute resolution.

1.2.2 In making this **Code**, the **Commission** has:

(a) sought to promote and achieve the object of the **Act**;

(b) sought to promote and achieve the objects of the **ERA**; and

(c) had regard to the matters listed in section 6(2) of the **Act**.

1.3 Date of commencement

1.3.1 This **Code** takes effect on and from the **Commencement Date**.

1.4 Interpretation

1.4.1 Unless the contrary intention is apparent:

(a) the **Interpretation Act** applies to the interpretation of this **Code**;

(b) a reference in this **Code** to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, the document or provision;

(c) a reference in this **Code** to a person includes the person's executors, administrators, successors, substitutes and permitted assigns;

(d) words appearing in bold and italics like **this** are defined in Schedule 1 of this **Code**.

1.5 Application

1.5.1 This **Code** applies to:

(a) a **network provider**;

(b) a **retailer**;

(c) the **system controller**;

(d) a **generator**; and

(e) the **Commission**.

1.6 Objectives

1.6.1 The objective of this **Code** is to facilitate retail supply activities which will result from the introduction of 'Full Retail Contestability' in the Northern Territory by establishing (amongst other things):

(a) the arrangements for transferring **customers** between **retailers**;

(b) the arrangements relating to credit support requirements and billing between the **network providers**, **generators** and **retailers**;

(c) the arrangements for metrology between **retailers** and **network providers**;

(d) **Retailer of Last Resort** arrangements; and

(e) a dispute resolution process for this **Code**.

1.6.2 This **Code** acknowledges that other laws and codes applying in the Northern Territory will also govern the rights and obligations of the parties listed in clause 1.5.1 above. The **ERA** and the **ENTPA Act** are examples of other applicable laws and codes.

2 Adding to or Amending this Code

2.1 Variation or revocation by the Commission under the Act

2.1.1 The **Commission** may at any time vary or revoke this **Code** in accordance with section 24 of the **Act**.

2.2   Application by an electricity entity for variation or revocation

2.2.1   An *electricity entity* may request the *Commission* to vary or revoke any part of this *Code*.

2.2.2   Unless the *Commission* considers that the request has been made on trivial or vexatious grounds (in which case the *Commission* may immediately reject the request) an application to vary or revoke any part of this *Code* will be dealt with by the *Commission* in accordance with this clause 2.

2.3   Matters to which the Commission will have regard to in making a decision

2.3.1   In deciding whether to vary or revoke this *Code* (or any part of this *Code*) under clause 2.1 and 2.2 above, or impose any additional or varied obligations on an *electricity entity*, the *Commission* will have regard to:

(a)   the objectives of this *Code*, (as set out in clause 1.6); and

(b)   the matters listed in section 6(2) of the *Act*.

3   Credit Support Requirements

3.1   Credit support requirements between network providers and retailers

3.1.1   A *network provider* may require a *retailer* to provide *credit support* up to the *Required Network Credit Support Amount*.

3.1.2   The *Required Network Credit Support Amount* must be determined by the *network provider* in accordance with this *Code* and the Credit Support Guidelines and Methodology outlined in Appendix A.

3.1.3   A *network provider* must include in a request to a *retailer* for *credit support*, a statement setting out the basis upon which it has determined the *Required Network Credit Support Amount*.

3.2   Credit support requirements between generators and retailers

3.2.1   A *generator* may require a *retailer* to provide *credit support* up to the *Required Generation Credit Support Amount*.

3.2.2   The *Required Generation Credit Support Amount* must be determined by a *generator* in accordance with the following requirements:

(a)   If the *retailer* or its parent company has an *acceptable credit rating* or is a fully owned subsidiary of the Australian Federal Government or an Australian State or Territory Government, the *Required Generation Credit Support Amount* is NIL.

(b)   If the *retailer* is unable to satisfactorily demonstrate to the *generator* that it meets the credit rating requirements set out in clause 3.2.2(a), the **Required Generation Credit Support Amount** shall be the greater of:

(i)   2 times the *retailer's* reasonable forecast of its highest *generation services* bill over the following 12 months (which forecast must be updated half yearly); or

(ii)   2 times the *generator's* record of the highest *generation services* bill issued to the *retailer* by the *generator* over the previous 12 months (which amount will be updated half yearly),

provided that the time period covered by the highest *generation services* bill for the purposes of calculating the **Required Generation Credit Support Amount** shall not be greater than one month.

(c)   Prior to obtaining *generation services* and prior to the 15th of December and 15th of June of each year, a *retailer* must provide the *generator* with its forecast *generation services* bill for each month of the following 12 month period, which forecast must be calculated in good faith and, subject to clause 3.2.2(d), will be utilised for the purposes of determining the **Required Generation Credit Support Amount** under clause 3.2.2(b).

(d)   Where the *retailer* has not provided a forecast of its highest *generation services* bill in accordance with clause 3.2.2(b) or (c), the *generator* may determine in good faith the highest monthly *generation services* bill for the relevant period which amount will be utilised for the purposes of determining the **Required Generation Credit Support Amount** for that period under clause 3.2.2(b).

(e)   The *generator* will provide the *retailer* with notice of its determination under clause 3.2.2(d).

(f)   Where it is determined that additional *credit support* is required for any reason, the *generator* will allow the *retailer* not less than 20 *business days* after advising the *retailer* of that determination, in which to provide the additional *credit support*.

3.2.3   Where the *retailer* has provided *credit support* for an amount which is more than 110% of the **Required Generation Credit Support Amount,** the *generator* will return the excess *credit support* to the *retailer* within 20 *business days* of being requested to do so in *writing* by the *retailer*. Where the form of the *credit support* provided by the *retailer* is not readily divisible by the *generator*, the *generator* will only be obliged to return the excess *credit support* to the *retailer* when the *retailer* has taken all such actions as are necessary to enable the *generator* to return the excess *credit support*.

3.2.4   Where:

(a)   the amount of the *credit support* provided by the *retailer* is less than 90% of the **Required Generation Credit Support Amount**; or

(b)   the *retailer* or its parent company have ceased to hold an **acceptable credit rating**; or

(c) the **credit support** provided by the **retailer** has ceased to comply with the requirements of clauses 3.4.1(a) or 3.4.1(b),

then the **generator** may require a **retailer** to:

(d) in the case of clause 3.2.4(a), increase the amount of the **credit support** to an amount not exceeding the **Required Generation Credit Support Amount**; or

(e) in the case of clause 3.2.4(b) and (c), provide **credit support** which complies with the requirements of clauses 3.4.1(a) or 3.4.1(b) for an amount not exceeding the **Required Generation Credit Support Amount**,

and the **retailer** must comply with that requirement within 20 **business days** of receipt of the **generator's** request.

3.2.5 A **generator** may only set off from, apply or draw on the **credit support** (as the case may be) if:

(a) the **generator** has given not less than 3 **business days** notice to a **retailer** that it intends to set off, apply or draw on the **credit support** in respect of an amount due and payable by the **retailer** to the **generator**, and that amount remains outstanding at the end of that period; and

(b) there is no dispute outstanding in relation to the **retailer's** liability to pay that amount.

3.3 Failure to provide credit support

3.3.1 Where the **retailer** has not provided the **credit support** required under this **Code** to the **network provider**, the **network provider** is under no obligation to commence providing **network services** to the **retailer**.

3.3.2 Where the **retailer** has commenced taking **network services** from the **network provider** and has not provided the credit support required under this **Code** to the **network provider**, the **network provider** must notify the **Commission**, providing all necessary information for the **Commission** to make a determination as to whether to invoke a **Retailer of Last Resort Event**.

3.3.3 Where the **retailer** has not provided to the **generator** the **credit support** required under this **Code**, the **generator** is under no obligation to commence providing **generation services** to the **retailer**.

3.3.4 Where the **retailer** has commenced taking **generation services** from the **generator** and has not provided the **credit support** to the **generator** as and when required under this **Code**, the **generator** must notify the **Commission**, providing all necessary information for the **Commission** to make a determination as to whether to invoke a **Retailer of Last Resort Event**.

3.4   Form of credit support

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

(a)   a bank guarantee that is:

(i)   in favour of the **network provider** or the **generator** (whichever is applicable) and is unconditional and callable on demand; and

(ii)   issued by a financial institution supervised by the Australian Prudential Regulation Authority;

(b)   an unconditional guarantee or other form of irrevocable credit support that is:

(i)   in a form that is acceptable to the **network provider** or **generator** (whichever is applicable) at its sole discretion; and

(ii)   issued by an entity with an **acceptable credit rating**; or

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

4   Network Access

4.1   Network Access Agreement

4.1.1   The **retailer** and **network provider** must enter into a **Network Access Agreement** (consistent with the requirements of the **ENTPA Act**) for the:

(a)   provision of **network access services**; and

(b)   the coordination of various matters specified by the **Commission** in accordance with the **network provider's** licence including without limitation, **customer** billing, fault reporting and notification of interruptions.

4.1.2   The **network provider** must provide **network access services** in relation to the **retailer's customers** as required by the **ENTPA Act** and the **Network Access Agreement**.

4.1.3   The **network provider** must provide **connection services** as required by the **ENTPA Act** and the **Network Access Agreement** for the premises of each of the **retailer's customers**:

(a)   who requests those **connection services**; and

(b)   whose premises are connected, or who is seeking to have those premises connected, to the **network provider's electricity network**; and

(c)   who has entered into an electricity supply contract with that **retailer**.

5 Metrology

5.1 Requirement for interval metering

5.1.1 A *retailer* must not initiate a *transfer* unless the *customer's exit point* has an *interval meter* installed. For the avoidance of doubt, a *customer* with an *accumulation meter* or unmetered installations may not be transferred to another *retailer*.

5.1.2 The *interval meter* may be either manually or remotely read by the *network provider*.

5.1.3 To the extent applicable, *retailers* and *network providers* must comply with the *meter* and *meter data* arrangements outlined in the *Network Connection Technical Code*.

5.1.4 A *retailer* must not initiate a *transfer* of a *customer*, if that *customer's* premises are connected to and supplied electricity from an *embedded network.*

6 Market Data

6.1 Use of market data

6.1.1 In *marketing* to a *customer*, a *retailer* must comply with all applicable laws and codes (including without limitation, the *Privacy Act 1988* (Cth) and the *Competition and Consumer Act 2010* (Cth)).

6.1.2 A *retailer* must only use *data* for the following purposes:

(a) to provide the *customer* with a quotation for the supply of electricity by the *retailer*; and/or

(b) to initiate a *transfer* in relation to that *customer*.

6.2 Market data procedures

6.2.1 If under this *Code* a *retailer* or *network provider* sends a communication electronically, the *retailer* and *network provider* must first notify and confirm each other's electronic communication address(es).

6.2.2 A *retailer* may submit a request for *standing data* to a *network provider* in relation to a *customer* by completing a *standing data request form* and submitting it to the *network provider*.

6.2.3 A *retailer* must not request *historical consumption data* from a *network provider* in relation to a *customer* without first obtaining *verifiable consent* from the *customer*.

6.2.4   A *retailer* must retain records of any *verifiable consent* for at least 2 years.

6.2.5   A *retailer* may submit a request for *historical consumption data* to a *network provider* in relation to a *customer* by completing an *historical consumption data request form* and submitting it to the *network provider*.

6.2.6   Unless otherwise agreed between the *network provider* and the *retailer*, a separate *data request form* must be submitted for each *exit point*.

6.2.7   A *network provider* must publish:

     (a)   a *standing data request form*, which must comply with Annexure 1; and

     (b)   an *historical consumption data request form*, which must comply with Annexure 2.

6.2.8   Unless otherwise agreed with a *network provider*:

     (a)   a *retailer* must submit a *data request* to the *network provider* electronically; and

     (b)   the *network provider* will process a minimum of:

         (i)   2 requests for *standing data* per day;

         (ii)   2 requests for *historical consumption data* per day.

6.2.9   A *network provider* must respond to a *data request* from a *retailer* by providing the *data* stipulated in Annexure 4 within 5 *business days* of the *data request* being submitted.

6.2.10   The *network provider* may reject a *data request* by electronically notifying the *retailer* within 5 *business days* if:

     (a)   the *retailer* does not have a *Network Access Agreement* with the *network provider*; or

     (b)   information provided by the *retailer* in the *data request* is inconsistent with the *network provider's* records in respect of the *customer*.

6.2.11   A *retailer* may electronically notify a *network provider* that it withdraws a *data request* at any time before the *network provider* provides *data*.

6.2.12   The *retailer* must pay any reasonable charges:

     (a)   incurred by the *network provider* in providing *data*;

     (b)   approved by the *Commission*; and

     (c)   published by the *network provider*.

For the avoidance of doubt, if no charges are approved by the *Commission*, no charges will be payable by the *retailer* for providing *data*.

6.3 Customer access to data

6.3.1 The **network provider** must provide a **customer** with its **historical consumption data** within 20 **business days** of receiving such a request in **writing** from the **customer**.

6.3.2 A **customer** may use this **historical consumption data** without any restriction and the **customer** retains full ownership of its copy of the **historical consumption data**.

6.3.3 The **customer** must pay any reasonable charges:

(a) incurred by the **network provider** in providing **data**;

(b) approved by the **Commission**; and

(c) published by the **network provider**.

For the avoidance of doubt, if no charges are approved by the **Commission**, no charges will be payable by the **customer** for providing **data**.

7 Business-to-business arrangements

7.1.1 A **network provider** must develop and submit **Service Order Procedures** to the **Commission** no later than 20 **business days** after the commencement of this **Code**. The **Commission** will approve the **Service Order Procedures** as soon as practicable.

7.1.2 A **retailer** may request the **network provider** to provide specified business-to-business services by submitting a **Service Order Request** in accordance with **Service Order Procedures** established by the **network provider**.

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

(a) **customer** disconnection;

(b) **customer** reconnection;

(c) special **meter** read; or

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

7.1.4 The **network provider** must use best endeavours to provide the requested business-to-business service within the time frames stipulated in the **Service Order Procedures**.

7.1.5 The **retailer** must pay any reasonable charges:

(a) incurred by the **network provider** in providing business-to-business services;

(b) approved by the **Commission**; and

(c) published by the **network provider**.

For the avoidance of doubt, if no charges are approved by the **Commission**, no charges will be payable by the **retailer** for business-to-business services.

8 Customer Transfers

8.1 Verifiable consent

8.1.1 A *retailer* must not initiate or affect the *transfer* of a *customer* without first obtaining *verifiable consent*.

8.1.2 A *retailer* must retain records of any *verifiable consent* for at least 2 years.

8.2 Customer transfer procedures

8.2.1 A *retailer* may only request a *network provider* to initiate the *transfer* of a *customer* to the *retailer* by submitting a *customer transfer request form* to the *network provider*.

8.2.2 A *network provider* must publish a *customer transfer request form,* which must comply with Annexure 3.

8.2.3 Unless otherwise agreed between the *network provider* and the *retailer*, a separate *customer transfer request form* must be submitted for each *exit point*.

8.2.4 The *network provider* may only reject a *customer transfer request form* by electronically notifying the *retailer* if:

(a)   the *retailer* does not have a *Network Access Agreement* with the *network provider*; or

(b)   information provided by the *retailer* in the *customer transfer request form* is materially inconsistent with the *network provider's* records in respect of the *customer*; or

(c)   the *meter* type at the *exit point* is inconsistent with the *meter* type which is required under the *Network Connection Technical Code* before the *customer* may *transfer*, and the *customer transfer request form* does not request a new *meter*; or

(d)   the *nominated transfer date* does not comply with clause 8.2.9.

8.2.5 A *network provider* must use its best endeavours to resolve with a *retailer* any potential grounds for *rejection* prior to rejecting a *customer transfer request form*.

8.2.6 If a *network provider* rejects a *customer transfer request form*, it must electronically notify the *retailer* within 5 *business days* setting out all the reasons for the *rejection*.

8.2.7 A *retailer* may electronically notify a *network provider* that it withdraws a *customer transfer request form* submitted by it to the *network provider* at any time before the *transfer* occurs.

8.2.8 The *retailer* must pay any reasonable charges:

(a)   incurred by the *network provider* in processing a *transfer request form*;

(b)   approved by the *Commission*; and

(c) published by the **network provider**.

For the avoidance of doubt, if no charges are approved by the **Commission**, no charges will be payable by the **retailer** for processing a **transfer request form**.

8.2.9 Unless the **customer transfer request form** is to reverse an **erroneous transfer**, the **retailer** must include a **nominated transfer date**. The **nominated transfer date** will be:

(a) where the **transfer** relates to an **exit point** which requires a new or modified **meter** installation, the end of the month in which the new or modified **meter** installation is ready for service; or

(b) where the **transfer** relates to an **exit point** with an existing **meter** installation and:

(i) the **transfer** request is submitted no later than 10 **business days** prior to month end and the relevant **exit point** is in an **urban area**, midnight on the last calendar day of the month in which the request is submitted to the **network provider**; or

(ii) the **transfer** request is submitted no later than 15 **business days** prior to month end and the relevant **exit point** is not in an **urban area**, midnight on the last calendar day of the month in which the request is submitted to the **network provider**,

provided that in either case, the **transfer date** will be no later than midnight on the last calendar day of the second month after the month in which the request is submitted to the **network provider**.

8.2.10 Following receipt of a **valid customer transfer request form**, the **network provider** must, subject to clause 8.2.12:

(a) within 5 **business days** after it receives the **customer transfer request form**, electronically notify the **current retailer** of the **transfer date**; and

(b) ensure that any new **meter** installation and new service installation required to effect the **transfer** is undertaken on or before the **transfer date**; and

(c) ensure that either a scheduled **meter** read or a special **meter** read, as applicable, is conducted for the **customer** on the **nominated transfer date**; and

(d) otherwise use its best endeavours to effect the **transfer** on a day the **customer's meter** is actually read.

8.2.11 For the avoidance of doubt, if a **meter** change is required, the **retailer** must request a separate **meter** change **Service Order Request** in accordance with the **Service Order Procedures** to change that **meter**, which **meter** change **Service Order Request** must be submitted concurrently with the **customer transfer request form**.

8.2.12 If the **network provider** is unable to **transfer** the **customer** within the time frames required under clause 8.2.9 and 8.2.10, then the **network provider** must within 5 **business days** after receiving the **customer transfer request form**, electronically notify the **retailer** which submitted the **customer transfer request form** of the reasons why the timetable will not be met and of its proposed timetable for the **transfer**.

8.2.13 If the **retailer** which submitted the **customer transfer request form** does not agree to the timetable proposed by the **network provider**, then the **network provider** must, acting in good faith and in accordance with **good electricity industry practice,** use its best endeavours to **transfer** the **customer** as close as reasonably possible to the **retailer's nominated transfer date**.

8.2.14 If a **network provider**, acting reasonably, is unable to complete a **transfer**, the **network provider** must electronically notify both the **current retailer** and the **incoming retailer** within 2 **business days** of the reasons why the **transfer** could not be completed.

8.2.15 The **network provider** must within 5 **business days** after the **transfer date** send an electronic notice of the **transfer** and **transfer date** to:

(a) the **incoming retailer**; and

(b) the **previous retailer**; and

(c) if applicable, the **system controller** for the purposes of allowing the **system controller** to meet its obligations under the **System Control Technical Code**.

8.2.16 Following a **transfer**, the **network provider** and, if applicable, the **system controller** must do all that is necessary to ensure that:

(a) all **network charges** and other amounts payable to the **network provider** and, if applicable, the **system controller** in relation to the relevant **customer** up to the **transfer date** are paid by or charged to the **previous retailer**; and

(b) **network charges** payable to the **network provider** and, if applicable, the **system controller** in relation to the relevant **customer** from the **transfer date** are paid by or charged to the **incoming retailer**.

8.2.17 In relation to a **transfer** to reverse an **erroneous transfer,** the relevant **retailers,** the **network provider** and, if applicable, the **system controller** must act in good faith to ensure that the rights and obligations of the affected **customer** are the same as they would have been if the **erroneous transfer** had not occurred.

8.2.18 Unless the **transfer** is to reverse an **erroneous transfer**, or as a result of a **Retailer of Last Resort Event**, an **incoming retailer** must keep a copy of the **verifiable consent** given to it by a **customer** for 2 years after the date the **verifiable consent** was given.

8.2.19 Except in the case of an **erroneous transfer**, a **previous retailer** must not bill a **customer** for any **network charges** or other amounts incurred after the **transfer date**.

8.2.20 A **transfer** is not permitted prior to the completion of any **cooling off period**. As a result the **incoming retailer** will need to take this into account when nominating the **customer transfer date**.

9 Retailer of Last Resort

9.1 Retailer of Last Resort to be determined by the Commission

9.1.1 The occurrence of a **Retailer of Last Resort Event** will be determined by the **Commission**.

9.1.2 A **Retailer of Last Resort Event** can be triggered when:

(a) a **retailer's** retail licence has been suspended or cancelled; or

(b) a **retailer** has not met its credit support requirements as specified under clause 3; or

(c) a **retailer** ceases to be a registered or licensed participant in relation to the purchase of electricity; or

(d) an insolvency official is appointed in respect of the **retailer** or any property of the **retailer**; or

(e) an application or order is made for the winding up or dissolution or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the **retailer**; or

(f) anything occurs that has a substantially similar effect to any of the events set out in paragraph (a) – (e) above.

9.2 Power and Water (Retail) to be the *Retailer of Last Resort*

9.2.1 If a **Retailer of Last Resort Event** occurs, **Power and Water Corporation (Retail)** is the **Retailer of Last Resort**.

9.2.2 The **Commission** must notify **Power and Water Corporation (Retail)** in **writing** as soon as possible after becoming aware of any activities which in the **Commission's** opinion are likely to lead to a possible **Retailer of Last Resort Event**.

9.2.3 If a **Retailer of Last Resort Event** occurs in relation to a **retailer** (the '**failed retailer**'):

(a) the **Commission** must notify **Power and Water Corporation (Retail)** advising of the event; and

(b) **Power and Water Corporation (Retail)** must sell electricity to the existing **customers** of the **failed retailer** from the date(s) set by the **Commission**.

9.3 Declaration of a Retailer of Last Resort Event

9.3.1 When the **Commission** believes on reasonable grounds that a **Retailer of Last Resort Event** has occurred in relation to a **retailer**, the **Commission** may issue a notice declaring that a **Retailer of Last Resort Event** has occurred.

9.3.2   The notice must:

(a)   identify the **Retailer of Last Resort Event**; and

(b)   specify the **failed retailer**; and

(c)   specify the **Retailer of Last Resort** appointed for the **Retailer of Last Resort Event**; and

(d)   specify the date or dates (each of which is a **transfer date**) on which the **customers** of the **failed retailer** are transferred to the **Retailer of Last Resort**, being a date not earlier than:

(i)   the date of service (as defined in the **ERA**) of the **Retailer of Last Resort** notice; or

(ii)   the date of publication of the **Retailer of Last Resort** notice;

whichever first occurs; and

(e)   contain the endorsement by the **Commission** to revoke the **failed retailer's** authorisation to be a licensed **retailer**,

and may include any other information or matters which the **Commission** considers should be included in the notice.

9.4   Retailer of Last Resort arrangements

9.4.1   The **failed retailer** and **Power and Water Corporation (Retail)** must cooperate to ensure that all **customer** details which are required to enable the **transfer** of those **customers** to **Power and Water Corporation (Retail)** are provided to **Power and Water Corporation (Retail)** as soon as possible after the **Retailer of Last Resort Event**.

9.4.2   Following a **Retailer of Last Resort Event,** the **network provider** must, as soon as practicable, **transfer** existing **customers** from the **failed retailer** to **Power and Water Corporation (Retail)**.

9.4.3   As **Retailer of Last Resort**, **Power and Water Corporation (Retail)** must sell electricity to the existing **customers** of the **failed retailer** in accordance with the **Retailer of Last Resort tariffs** approved by the **Commission**.

9.4.4   The **Commission** will gazette the **Retailer of Last Resort tariffs** for use by **Power and Water Corporation (Retail)**, as stipulated in clause 9.4.3.

9.4.5   As **Retailer of Last Resort**, **Power and Water Corporation (Retail)** must, as soon as practicable and in any event within 20 **business days** of the **Retailer of Last Resort Event**, notify each **customer** of the **failed retailer**:

(a)   that a **Retailer of Last Resort Event** has occurred;

(b)   that, as a result of the **Retailer of Last Resort Event, Power and Water Corporation (Retail)** is now the **retailer** for that **customer**;

(c)   of the **Retailer of Last Resort tariffs** applicable to that **customer** and the date from which those tariffs apply;

(d)   that the **Retailer of Last Resort tariffs** will apply until the **customer** has entered into alternative electricity supply arrangements with a **retailer** (which includes the **retailer** who is the **Retailer of Last Resort** at that time); and

(e)   the options available for the **customer** to enter into alternative electricity supply arrangements.

9.5   Costs resulting from the Retailer of Last Resort Event

9.5.1   Without limiting clause 9.5.2, **Power and Water Corporation (Retail)** may apply to the **Commission** to recover any costs incurred as a result of the **Retailer of Last Resort Event** that have not otherwise been recovered.

9.5.2   The **Commission** must, on application by **Power and Water Corporation (Retail)**, determine a **Retailer of Last Resort** cost recovery scheme for the **Retailer of Last Resort Event**.

9.5.3   A **Retailer of Last Resort** cost recovery scheme is a scheme designed for the recovery by the **Retailer of Last Resort** of costs incurred by the **Retailer of Last Resort**, in relation to the **Retailer of Last Resort** scheme, including:

(a)   costs incurred in preparing for a **Retailer of Last Resort Event**; and

(b)   costs incurred on and after the occurrence of a **Retailer of Last Resort Event**.

10   Dispute Procedures

10.1   Dispute resolution process

10.1.1 If a dispute or difference arises in respect of any matter under or in connection with this **Code** between:

(a)   a **network provider** and a **retailer**; or

(b)   **retailers**; or

(c)   a **network provider** and the **system controller**; or

(d)   a **retailer** and the **system controller**, or

(e)   a **retailer** and **Power and Water Corporation (Generation),**

then subject to clause 10.1.5, representatives of the disputing parties must meet within 5 **business days** after a request by any of the disputing parties and attempt to resolve the dispute by negotiations in good faith.

10.1.2 If the dispute is not resolved within 10 **business days** after their first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute by negotiations in good faith.

10.1.3 If the dispute is resolved under clause 10.1.1 or clause 10.1.2, the disputing parties must:

(a) prepare a written record of the resolution and sign the record; and

(b) adhere to the resolution.

10.1.4 If a dispute is not resolved within 20 **business days** after the dispute is referred to the senior executive officers, any disputing party may by notice to each other disputing party refer the dispute to the **Commission**.

10.1.5 If a disputing party considers that the dispute is of an urgent nature, it may request the **Commission** to conduct a dispute resolution before negotiations are conducted by either representatives or the senior executive officers of the disputing parties.

10.1.6 The **Commission** may deal with any request under clause 10.1.5 in its absolute discretion.

10.1.7 The disputing party referring the dispute to the **Commission** must give notice to the **Commission** of the nature of the dispute, including:

(a) the breach, act, omission or other circumstance forming the basis for the dispute; and

(b) the relevant provision within this **Code** or other basis for the dispute.

10.1.8 Subject to the rules of natural justice, the **Commission** must conduct a dispute resolution process with as little formality and technicality, and with as much expedition, as the requirements of this clause 10, and a proper hearing and determination of the dispute, permit.

10.1.9 The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in clause 10.1.8.

10.1.10 Subject to the rules of natural justice, the **Commission** may from time to time specify procedures (either of general application or in respect of all or some part of a particular dispute) for a dispute resolution including:

(a) the manner of any submissions by the disputing parties; and

(b) whether, and if so the extent to which, legal representation is permitted; and

(c) regulating the conduct of the disputing parties.

10.1.11 Subject to the rules of natural justice, the **Commission** may:

(a) inform itself independently as to facts and if necessary technical matters to which the dispute relates; and

(b)   receive written submissions and sworn and unsworn written statements; and

(c)   consult with such other persons as the **Commission** thinks fit; and

(d)   take such measures as the **Commission** thinks fit to expedite the completion of the dispute resolution.

10.2   Determination to be made by the *Commission*

10.2.1 Subject to the **Act** and this **Code**, in determining a dispute the **Commission** may make any order which it considers expedient to dispose of the dispute.

10.2.2 The **Commission** will endeavour to make a determination of the dispute within 20 **business days** after its appointment or such further period as considered appropriate by the **Commission**. If any of the disputing parties considers that the dispute is of an urgent nature and needs to be resolved within a shorter period, then that disputing party may apply to the **Commission**, and the **Commission** may reduce the period of 20 **business days** to such lesser period as the **Commission** considers appropriate having regard to the interests of all disputing parties and this **Code**.

10.2.3 The **Commission** must deliver a written determination which sets out the reasons for the determination and the findings of fact on which the determination is based.

10.2.4 Unless the disputing parties agree otherwise, any hearing or meetings relating to the dispute resolution must be held in Darwin.

10.2.5 The findings of the **Commission** are final and binding on the disputing parties.

10.2.6 The referral of any matter to the **Commission** does not relieve any party from performing its obligations under this **Code** pending the determination of the dispute.

10.3   Costs of the *Commission*

10.3.1 The costs of the **Commission** are to be determined at the discretion of the **Commission** which may direct by whom and in what manner the whole or any part of the costs are to be paid.

ANNEXURE 1 - REQUEST FOR STANDING DATA FORM

A **standing data request form** published by a **network provider** must require a **retailer** to provide the following information:

(a)   the name and, if applicable, identification number or code of the **retailer** submitting the **request for standing data**; and

(b)   either:

    (i)   if the **network provider** has allocated a **UMI** *or* **NMI** for the **exit point,** the **customer's UMI or NMI**; or

    (ii)   if the **network provider** has not allocated a **UMI** or **NMI** for the **exit point** the **customer's:**

        A.   lot number and, if applicable, unit number; and

        B.   street number; and

        C.   street; and

        D.   suburb; and

        E.   post code; or

    (iii)   the **customer's meter** serial number.

ANNEXURE 2 - REQUEST FOR HISTORICAL CONSUMPTION DATA FORM

An *historical consumption data request form* published by a *network provider* must require a *retailer* to provide the following information:

(a)   the name and, if applicable, identification number or code of the *retailer* submitting the request for *historical consumption data*; and

(b)   either:

    (i)   if the *network provider* has allocated a *UMI* or *NMI* for the *exit point*, the *customer's UMI* or *NMI*; or

    (ii)   if the *network provider* has not allocated a *UMI or NMI* for the *exit point* the *customer's*:

        A.   name; and

        B.   lot number and, if applicable, unit number; and

        C.   street number; and

        D.   street; and

        E.   suburb;

        F.   post code; or

    (iii)   the *customer's meter* serial number; and

(c)   confirmation that the *retailer* has obtained *verifiable consent* from the *customer* to obtain the *historical consumption data*.

ANNEXURE 3 - CUSTOMER TRANSFER REQUEST FORM

A **customer transfer request form** published by a **network provider** must require a **retailer** to provide the following information:

(a)   the name and, if applicable, identification number or code of the **retailer** submitting the **customer transfer request form**; and

(b)   either:

    (i)   if the **network provider** has allocated a **UMI** or **NMI** for the **exit point,** the **customer's UMI or NMI**; or

    (ii)   if the **network provider** has not allocated a **UMI** or **NMI** for the **exit point**, the **customer's**:

        A.   name; and

        B.   lot number and, if applicable, unit number; and

        C.   street number; and

        D.   street; and

        E.   suburb; and

        F.   post code;

    or

    (iii)   the **customer's meter** serial number;

(c)   the reason for the **transfer**, (either a standard **transfer**, reversal of an **erroneous transfer** or **transfer** as a result of a **Retailer of Last Resort Event**); and

(d)   the name and, if applicable, identification number or code of the **retailer** to whom the **customer** is to be transferred; and

(e)   the **nominated transfer date**; and

(f)   if a new **meter** is required to enable **transfer**, or for any other reason, the **Service Order Request** number relating to the request for a new **meter** submitted by the **retailer** to whom the **customer** is to be transferred; and

(g)   the estimated annual electricity consumption **data** of the **customer**; and

(h)   if applicable, the proposed network access pricing structure or arrangement to be agreed between the **network provider** and the **retailer** to whom the **customer** is to be transferred to apply for the **customer** to be transferred; and

(i)   that the **retailer** to whom the **customer** is to be transferred has obtained **verifiable consent** from the **customer** in relation to the **transfer**.

ANNEXURE 4 - STANDING DATA AND HISTORICAL CONSUMPTION DATA

A4.1 **Standing data** includes, if available, the following information:

    (a)   **UMI or NMI** and its status (connected or disconnected); and

    (b)   full details of the address; and

    (c)   voltage; and

    (d)   network tariff description; and

    (e)   **meter** type; and

    (f)   **meter** number(s); and

    (g)   last and next scheduled **meter** read date or day number; and

    (h)   whether a new **meter** (or communications) is required under the **Network Connection Technical Code** before the **customer** may **transfer**.

A4.2 **Historical consumption data**, if available, is:

    (a)   metering **data** for the **customer** for at least the previous 12 months (or longer if agreed by the **network provider** and **retailer**);

    (b)   provided as interval **data** or in a summarised form; and

    (c)   dependent on the capabilities of the **meter** at the **exit point** (for example, Peak/Off peak kWh, Peak/Off peak kW, All time kWh, kVAh).

Appendix A – Credit Support Guidelines and Methodology

REQUIREMENTS FOR CREDIT SUPPORT

A.A.1 *Network Provider* **may require** *credit support*

(a) A *network provider* may require a *retailer* to provide *credit support*, but only in accordance with this *Code* and these Credit Support Guidelines and Methodology.

(b) A *network provider* may only require a *retailer* to provide *credit support* up to the *Required Network Credit Support Amount*.

*Note: the circumstances in which a **network provider** may require a **retailer** to provide credit support are:*

i) *If a **retailer's network charges liability** to the **network provider** exceeds the **retailer's credit allowance** – see clause A.A.2 to A.A.7; or*
ii) *When no **credit allowance** is extended due to the circumstances set out in clause A.A.8.*

A.A.2 **Determining the** *Required Network Credit Support Amount*

(a) A *network provider* must calculate the amount by which the *network charges liability* of a *retailer* exceeds the *credit allowance* of that *retailer*, to determine the *Required Network Credit Support Amount*, in accordance with these Credit Support Guidelines and Methodology.

(b) A *network provider* must include in a request to a *retailer* for *credit support* a statement setting out the basis upon which the *network provider* has determined the *Required Network Credit Support Amount.*

A.A.3 **Determining a** *Retailer's Network Charges Liability*

(a) A *network provider* must estimate an amount which is equal to a *retailer's* average billed and unbilled *network charges liability* in accordance with the following formula:

$$NCL = \Sigma NCLc$$

where,

NCLc means the forecast daily *network charges* relating to those *customers* of the *retailer* for which the *maximum days outstanding* (MDO) is the same, multiplied by that MDO, where MDO for each *customer* is calculated as:

$$MDO = FCCP/2 + RBP/2 + IPPL$$

where,

FCCP (*final customer consumption period*) is the number of days in the average period of consumption covered in a *statement of charges* issued by the *network provider* to the *retailer* in respect of that *customer's* consumption of electricity; and

RBP (**retailer billing period**) is the number of days in the **retail billing period** applicable to the **retailer**; and

IPPL (**invoice preparation and payment lag**) is 28 days.

*Note: 28 days represents approximately 10 **business days** after the end of the retail billing period to issue the invoice and a further 10 **business days** for payment.*

(b) A **network provider** must estimate the amount of **network charges liability** of a **retailer**:

(i) as at the date the **network provider** requests **credit support** from the **retailer**; or

(ii) on the date on which the **network provider** recalculates the **Required Network Credit Support Amount** under these Credit Support Guidelines and Methodology.

DETERMINING CREDIT ALLOWANCE FOR A RETAILER

A.A.4   Calculating *Retailer Credit Allowance*

(a) A **network provider** must determine a **credit allowance** for a **retailer** as set out in this Credit Support Guidelines and Methodology.

(b) A **credit allowance** for a **retailer** is calculated as follows:

$$CA = MCA \times CA\%$$

where,

CA means the **credit allowance** for a **retailer**; and

MCA means **maximum credit allowance** for that **network provider** as calculated in clause A.A.5; and

CA% (or **credit allowance percentage** for a **retailer**) is the figure expressed as the applicable percentage in the table in Schedule 1 (which corresponds to the credit rating applicable to the **retailer**) or, where either clause A.A.6 or clause A.A.8 applies, is zero.

A.A.5 *Network Provider's Maximum Credit Allowance*

For the purpose of determining a **credit allowance** for a **retailer**, a **network provider** must calculate its **maximum credit allowance** as follows:

MCA = TARC x 25%

where,

MCA means **maximum credit allowance** for that **network provider**; and

TARC (or **total annual retailer charges**) means the total annual amount of **network charges** billed by the **network provider** to all **retailers**.

A.A.6 *Credit Rating* **for** *Retailer*

(a) In determining a **credit allowance** for a **retailer**, a **network provider** may use a credit rating advised by the **retailer**.

(b) Unless the **retailer** is providing its guarantor's credit rating under clause A.A.7, a **retailer** must advise a **network provider** of its credit rating which may be:

(i) a Standard & Poor's, Fitch or Moody's credit rating; or

(ii) where a **retailer** does not have such a rating, a Dun & Bradstreet Dynamic Risk Score.

(c) If a **retailer** does not have a credit rating of the type described in clause A.A.6(b) then its **credit allowance** percentage is zero.

(d) A **retailer** must advise a **network provider** of any change to its credit rating immediately on becoming aware of that change.

(e) A **network provider** may obtain relevant credit rating information about a **retailer** and monitor ongoing changes to the **retailer's** credit rating.

A.A.7 **Calculating** *Credit Allowance* **where Guarantor**

(a) This clause applies where a person (a 'guarantor') provides an unconditional guarantee in favour of the **network provider** of the financial obligations which the **retailer** has to the **network provider**.

(b) In determining a **retailer's credit allowance**, a **network provider** may use a credit rating of a guarantor advised by the **retailer**.

(c) The **retailer** may advise the **network provider** of its guarantor's credit rating, which may be:

(i) a Standard & Poor's, Fitch or Moody's credit rating; or

(ii) where a guarantor does not have such a rating, a Dun & Bradstreet Dynamic Risk Score.

(d) If a **retailer** advises a **network provider** of its guarantor's credit rating under paragraph (c), it must also advise the **network provider** that the credit rating is the rating of its guarantor and, if its guarantor provides a guarantee to more than one **retailer**, the amount of the guarantor's **credit allowance** which has been allocated to the **retailer** under paragraph (e) below.

(e)   Where a guarantor provides a guarantee to more than one **retailer**, the guarantor's **credit allowance** must be calculated in accordance with clause A.A.4 as though the guarantor were a **retailer** and the **credit allowance** of the guarantor must be divided by the guarantor amongst each of the **retailers** on behalf of which the guarantor provides a guarantee.

A.A.8   When no *credit allowance* will be extended to a *retailer*

(a)   No **credit allowance** will be granted to a **retailer** if, at the time of the **network provider's** request, any of the following apply:

    (i)   within the previous 12 months, the **retailer** has failed to pay in full:
        A.   3 statements of **network charges** by the due date; or
        B.   2 consecutive statements of **network charges** by the due date; or
        C.   1 statement of **network charges** within 25 **business days** of the due date; or

    (ii)   the **network provider** calls upon any **credit support** provided by the **retailer** or its guarantor to the **network provider** under these Credit Support Guidelines and Methodology.

(b)   Paragraph (a)(i) does not apply where the **retailer** has failed to pay the statement of **network charges** due to a dispute.

(c)   A **retailer** must notify the **network provider** within 1 **business day** if it is not to be granted any **credit allowance** because of the operation of paragraph (a)(ii).

PROVISION OF CREDIT SUPPORT BY RETAILERS

A.A.9   *Retailer* to provide *credit support*

(a)   A **retailer** must, on request by a **network provider**, provide **credit support** to a **network provider** in accordance with these Credit Support Guidelines and Methodology.

(b)   A request for **credit support** by a **network provider** to a **retailer** must be for an acceptable form of **credit support**.

(c)   The **credit support** provided by a **retailer** must be:

    (i)   for an amount requested by the **network provider**, not exceeding the **Required Network Credit Support Amount** calculated in accordance with these Credit Support Guidelines and Methodology; and

    (ii)   provided within 20 **business days** of the **network provider's** request; and

    (iii)   in an acceptable form which is detailed in clause 3.4 of this **Code**; and

    (iv)   in favour of the **network provider** - see clause A.A.1.

A.A.10   Provision of *credit support* when a dispute arises

(a)   This clause applies where a **retailer** decides to lodge an access dispute under the **ENTPA Act** in relation to a **network provider's** request for **credit support**,

and that dispute is not resolved by the due date for payment of the **credit support**.

(b)   The **retailer** must provide the **credit support** requested by the **network provider** by the due date.

(c)   Where, as a result of a dispute determination, a **network provider** was not entitled to the **credit support** provided by the **retailer** in whole or in part, the **network provider** must:

(i)   reimburse the **retailer** for any costs incurred to procure the **credit support** (including the costs of funding any cash collateral provided to the issuer of the **credit support**), in excess of the costs that the **retailer** would have incurred if the correct amount had been requested; and

(ii)   pay the **retailer** interest at the **default rate** on the amount of those excess costs.

OTHER MATTERS RELATING TO *CREDIT SUPPORT*

A.A.11   Top up of *credit support*

(a)   A **retailer** must ensure that at all times the aggregate undrawn or unclaimed amount of the **credit support** is not less than the amount requested by a **network provider** in accordance with clause AA.1.1, adjusted as required in accordance with a request under paragraph (b) below.

(b)   If at any time the aggregate amount of uncalled **credit support** held by a **network provider** is less than 90% of the **Required Network Credit Support Amount**, the **network provider** may require a **retailer** to increase the amount of the **credit support** to an amount not exceeding the **Required Network Credit Support Amount**, and the **retailer** must comply with that requirement within 20 **business days**.

A.A.12   Reduction of *credit support*

If the aggregate amount of uncalled **credit support** held by a **network provider** is more than 110% of the **Required Network Credit Support Amount**, the **network provider** must on request by a **retailer** and in conjunction with the **retailer**, do all things necessary to reduce the aggregate amount of uncalled **credit support** held by the **network provider** to the **Required Network Credit Support Amount**.

A.A.13   Application of *credit support*

A **network provider** may only set off from, apply or draw on the **credit support** (as the case may be) if:

(a)   the **network provider** has given not less than 3 **business days** notice to a **retailer** that it intends to set off, apply or draw on the **credit support** in respect of an amount due and payable by the **retailer** to the **network provider**, and that amount remains outstanding; and

(a)   there is no dispute outstanding in relation to the **retailer's** liability to pay that amount.

A.A.14   Return of *credit support*

(a)   This clause applies where a ***network provider*** and a ***retailer***:

  (i)   no longer have any 'shared' ***customers*** (i.e. none of the ***retailers' customers*** have ***exit points*** with the ***network providers' electricity network***); or

  (ii)   if the ***Required Network Credit Support Amount*** of a ***retailer*** is zero.

(b)   A ***network provider*** must pay, cancel or return to a ***retailer*** as appropriate, any balance of ***credit support*** outstanding after payment of all amounts owing by the ***retailer*** to the ***network provider***.

A.A.15   Other *retailer* obligations

(a)   Where a ***network provider*** has acted in accordance with the Credit Support Guidelines and Methodology, a ***retailer*** must not take any steps to seek an injunction or otherwise restrain:

  (i)   any issuer of ***credit support*** from paying the ***network provider*** pursuant to that ***credit support***;

  (ii)   the ***network provider*** from taking any steps for the purpose of making a demand against the ***credit support***; or

  (iii)   the ***network provider*** using the money obtained in the calling of the ***credit support***.

(b)   A ***network provider*** may disclose to its financiers and the ***Commission*** that it has required or called on ***credit support*** provided by the ***retailer*** under these Credit Support Guidelines and Methodology.

A.A.16   Authorised payments

(a)   This clause applies if the issuer of ***credit support*** pays an amount to a ***network provider*** that was not called in accordance with the Credit Support Guidelines and Methodology (***unauthorised amount***).

(b)   A ***network provider*** must:

  (i)   hold any ***unauthorised amount*** on trust for the relevant ***retailer***; and

  (ii)   promptly pay to the ***retailer*** the following amounts:

  A.   the ***unauthorised amount*** paid to the ***network provider*** and held on trust;

  B.   interest on the ***unauthorised amount*** at the ***default rate*** from the date on which that amount was called to the date on which that amount is paid to the ***retailer***,

  when:

  C.   the ***retailer*** provides replacement ***credit support*** to the ***network provider***; or

  D.   it is determined that the ***retailer*** is not required to provide replacement ***credit support*** to the ***network provider***.

A.A: SCHEDULE 1 - CALCULATING CREDIT ALLOWANCE PERCENTAGE

Table – Calculating credit allowance percentage				
Standard & Poor's or Fitch credit rating	**Moody's credit rating**	**Credit allowance percentage (per cent)**	**Dun & Bradstreet Dynamic Risk Score**	**Credit allowance percentage**
AAA	Aaa	100.0	N/A	N/A
AA+, AA, AA-	Aa1, Aa2, Aa3	100.0	N/A	N/A
A+, A, A-	A1, A2, A3	100.0	N/A	N/A
BBB+	Baa1	90.0	N/A	N/A
BBB	Baa2	72.00	Minimal	72.0
BBB-	Baa3	48.0	N/A	N/A
BB+	Ba1	13	Very Low	13.0
BB	Ba2	7.0	Low	7.0
BB-	Ba3	4.0	Below average/ average	4.0
B+	B1	2.0	Moderate	2.0
B	B2	1.1	High	1.1
B-	B3	0.4	Very High	0.4
CCC, CC, C	Caa, Ca, C	0.1	Severe	0.1
SD, D	LD, D	0.0	N/A	N/A

A.A: SCHEDULE 2 - CREDIT SUPPORT ARRANGEMENTS WORKED EXAMPLES

The worked examples below are intended to illustrate how the following items would be calculated:

(a) *network charge liability*;

(b) *credit allowance* for a *retailer*; and

(c) *maximum credit allowance*.

Example 1 – Network Charge Liability

The *network charge liability* is based on:

(a) the forecast daily *network charges* of *customers*; and

(b) the maximum days a *network charge* will be outstanding (*maximum days outstanding*).

The *network provider* will determine the daily *network charges* of their *customers.* For the purposes of this example, it is assumed that the forecast daily *network charges* of two groups of *customers* are as follows: Group A *customers* ($5 per day) and Group B *customers* ($12 per day).

The formula for calculating the *maximum days outstanding* for each *customer* is:

MDO = Final Customer Consumption Period/2 + *Retailer Billing Period*/2 + *Invoice Preparation and Payment Lag.*

It is based on:

(a) the Final Customer Consumption Period:

   (i) this is the number of days in the average period of consumption covered in a *statement of charges* issued by the *network provider* to the *retailer* in respect of a *customer's* consumption of electricity; and

   (ii) in this case, it is assume that *meter* readings are undertaken for Group A each month (*30 days*), and Group B each three months (*90 days*).

(b) the Retailer Billing Period:
   (iii) this is defined in the Credit Support Guidelines and Methodology as a calendar month or another *retail billing period* agreed between the *retailer* and *customer*.
   (iv) in this case, it is assumed that a 30 day *retail billing period* has been agreed.

(c) the Invoice Preparation and Payment Lag – this is the number of days between the end of a Retailer Billing Period and:

   (i) the date of issue of a *statement of Charges* – under the Credit Support Guidelines and Methodology, this can be no more than 10 *business days* after the end of the Retailer Billing Period. Assuming the maximum 10 *business days* are taken, this would equate to 14 days; and

   (ii) the number of days allowed by payment of the *network charges* – under the Credit Support Guidelines and Methodology, this must be 10 *business days* from the date of issue of the *statement of charges*. In this case, it is assumed that 10 *business days* equates to 14 days.

(d)   The Invoice Preparation and Payment Lag will therefore be 28 days (14 days plus 14 days).

Based on these assumptions, the **Maximum Days Outstanding** for Group A **customers** can be calculated as follows:

Maximum Days Outstanding = Final **Customer** Consumption Period/2 + Retailer Billing Period/2 + Invoice Preparation and Payment Lag.

> = 30/2 + 30/2 + 28
> = 15 + 15 + 28
> = 58

The **Maximum Days Outstanding** for Group B **customers** is calculated as follows:

Maximum Days Outstanding = Final **Customer** Consumption Period/2 + Retailer Billing Period/2 + Invoice Preparation and Payment Lag.

> = 90/2 + 30/2 + 28
> = 45 + 15 + 28
> = 88

To determine the **network charge** liability component for each group of **customer**, the forecast daily **network charges** for each **customer** is multiplied by the **Maximum Days Outstanding** for the **customer**.

For each Group A **customer**, this would be determined as follows:

Network Charge Liability = daily **network charges** x **Maximum Days Outstanding**

> = $5.00 x 58
> = $290

For each Group B **customer**, this would be determined as follows:

Network Charge Liability = daily **network charges** x **Maximum Days Outstanding**

> = $12.00 x 88
> = $1,056

Assuming the **retailer** has 20,000 Group A **customers**, the **network charge liability** component for that group will be $5,800,000 ($290 x 20,000).

Assuming the **retailer** has 5,000 Group B **customers**, the **network charge liability** component for that group will be $5,280,000 ($1,056 x 5,000)

The **network charge liability** component for Group A and Group B **customers** will be $11,080,000 ($5,800,000 + $5,280,000).

Example 2 – Credit Allowance for a Retailer

A *Credit Allowance* for a *retailer* is calculated by multiplying the *network provider's Maximum Credit Allowance* by a *Credit Allowance Percentage* for a *retailer*.

An example of how to calculate a *network provider's Maximum Credit Allowance* is provided in Example 3 below. For the purposes of this example, the *Maximum Credit Allowance* is assumed to be $100 million (or 25% of *Total Annual Retailer Charges* of $400 million).

In this example, it is assumed the *retailer* has a Standard and Poor's credit rating of AAA. In accordance with the table in Schedule 1, their *Credit Allowance Percentage* will be 100%. The *Credit Allowance* for the *Retailer* is calculated as follows:

Credit Allowance = *Maximum Credit Allowance* x *Credit Allowance Percentage*

$$= \$100,000,000 \times 100\%$$
$$= \$100,000,000$$

In this example, it is assumed the *retailer* has a Moody's credit rating of Ba2. In accordance with the table in Schedule 1, their *Credit Allowance Percentage* will be 11%. Their *Credit Allowance* is calculated as follows:

Credit Allowance = *Maximum Credit Allowance* x *Credit Allowance Percentage*

$$= \$100,000,000 \times 11\%$$
$$= \$11,000,000$$

In this example, the *retailer* has failed to pay two consecutive *statements of charges* by the due date. In this case no *Credit Allowance* will be granted, regardless of the value of the *retailer's* credit rating.

Credit Allowance = *Maximum Credit Allowance* x *Credit Allowance Percentage*

$$= \$100,000,000 \times 0$$
$$= \$0$$

Example 3 – Maximum Credit Allowance

The *Maximum Credit Allowance* is calculated by multiplying a *network provider's Total Annual Retailer Charges* by 25%.

For example, if the *Total Annual Retailer Charges* of a *network provider* was $1,300 million, its *Maximum Credit Allowance* would be $325 million.

Maximum Credit Allowance = *Total Annual Retailer Charges* x 25 %

$$= \$1,300,000,000 \times 25\%$$
$$= \$325,000,000$$

Schedule 1 – Definitions

"acceptable credit rating" means a credit rating of BBB+ (or its equivalent) or higher from Standard and Poors, Fitch Ratings or Moody's Investor Services.

"Act" means the *Utilities Commission Act*.

"accumulation meter" *means* a **meter** where the **data** recorded in the **meter** and/or **data** logger represents a period in excess of a 30 minute period ending on the hour (CST) or on the half hour and, where identified by a time, means the 30 minute period ending at that time.

"bank bill rate" means:

(a)   on any day, the average bid rate (expressed as a percentage yield to maturity per annum rounded upwards, if necessary, to the nearest 0.01%) displayed on the page of the Reuters Monitor System, designated "BBSY" at or about 10.30am on that day (or if that day is not a business day on the business day immediately preceding that day) for the purchase of bills of exchange (as defined in the *Bills of Exchange Act 1909* (Cth)) bearing the acceptance of a bank licensed under sections 8 or 9 of the *Banking Act 1959* (Cth) and for a term to maturity of 90 days; or

(b)   if there is manifest error in the calculation of that average rate, or that average rate is not displayed at or about 10.30am on that day, or if that average rate becomes clearly inappropriate, unfair or incapable of application, the "**bank bill rate**" for that day is as fixed by the **Commission** to be representative of the rate at which such bills are being purchased by such banks at or about 10.30am on that day.

"business day" means any day that is not a Saturday, a Sunday or a public holiday in the Northern Territory of Australia.

 "Code" means this 'Interim Electricity Retail Supply Code'.

"Commencement Date" means the date on which the Gazette which establishes this Code is published or a later date specified by the **Commission**.

"Commission" means the Utilities Commission established under the **Act**.

"connection services" will have the meaning given to that term in the **ENTPA Act**.

"cooling off period" in relation to a **customer**, means the 10 **business day** period following the date on which the **customer** enters into an electricity sale contract with a **retailer** for the supply of electricity to that **customer** at an **exit point**.

"credit allowance" has the meaning given to it in clause A.A.4.

"credit support" means a security supporting the obligations of a **retailer** to a **generator** or a **network provider** (whichever is applicable) to pay:

(a)   the **generator** for **generation services** provided to the **retailer**; or

(b)   the **network provider** for **network services** provided to the **retailer**,

and having the characteristics required by clause 3.4.

"current retailer", means the **retailer** currently supplying electricity to the relevant **customer**.

"customer" means a person to whom electricity is sold for the purpose of consumption.

"customer transfer request form" means the form which is published by a **network provider** *under* clause 8.4 in accordance with Annexure 3.

"data" means **historical consumption data** or **standing data**, as applicable.

"data request" means a request for **historical consumption data** or a request for **standing data**, as applicable.

"data request form" means a **standing data request form** or a **historical consumption data request form**, as applicable, published by the **network provider** under clause 6.9.

"default rate" means, at any time, the **bank bill rate** plus two percentage points per annum.

"electricity entity" will have the will have the meaning given to that term in the **ERA**.

"electricity network" will have the meaning given to that term in the **Network Access Code**.

"embedded network" means an **electricity network** not owned or operated by a **network provider**.

"ENTPA Act" means the *Electricity Networks (Third Party Access) Act*.

"ERA" means the *Electricity Reform Act 2005*.

"**erroneous transfer**" is a **transfer** that was made without the **verifiable consent** *of* the **customer** that was transferred.

"**exit point**" has the meaning given to it in the **ENTPA Act**.

"generation services" means all service provided by a **generator** to a **retailer** in relation to the supply of electricity for the **retailer's customers**.

"**generator**" means an entity that has been licensed to carry on operations in the electricity supply industry, as per Part 3 of the **ERA**.

"good electricity industry practice" the meaning given to it in the **ENTPA Act**.

"**historical consumption data**", in relation to a **customer**, means the metering data of the type set out in clause A4.2 of Annexure 4 for the **customer**.

"**historical consumption data request form**" means the form published by a **network provider** under clause 6.9, in accordance with Annexure 2.

"incoming retailer", in relation to a **transfer** of a **customer**, means the **retailer** that will supply electricity to the **customer** after the **transfer date**.

"Interpretation Act" means the *Northern Territory of Australia Act* of that name.

"interval meter" means a **meter** that records **data** electricity consumption at regular time intervals of no more than half an hour.

"marketing" means, but is not limited to, advertising, sales, promotions, market research, public relations, discussions or negotiations by any means in the nature of a personal contact with a **customer** whether solicited or unsolicited for the purposes of entering into an electricity sale contract.

"maximum credit allowance" has the meaning given to it in clause A.A.5.

"**meter**", in relation to a **customer** at an **exit point**, means the meter or meters and appropriate infrastructure, as defined in the **Network Connection Technical Code** at or about the **exit point** used to measure the supply of electricity to the **customer**.

"*Minister*" means the Minister of the Crown who is responsible for the administration of the **ERA**.

"*Network Access Agreement*" means an agreement entered into between a **retailer** and the **network provider** in accordance with the **ENTPA Act** (and, where applicable, the **network providers** licence) and dealing with (amongst other things) the provision of **network access services** and the coordination of **customer** billing, reporting and notifications.

"*Network Access Code*" means the code made by the Minister under Part 2 of the **ENTPA Act**.

"*network access services*" will have the meaning given to that term in the **Network Access Code**.

"*network charges*" means all charges (approved by the **Commission** and published by the **network provider**) which are payable by a **retailer** to a **network provider** or, if applicable, the **system controller** in connection with the **transfer** of electricity at an **exit point** and the provision of **network access services.**

"*network charges liability*" has the meaning given to it in clause A.A.3.

"*Network Connection Technical Code*" means the code of that name that is required under section 9(2) of the **Network Access Code** and is published by Power and Water Corporation.

"*network provider*" has the meaning given to that term in the **ERA**.

"*NMI*" will have the meaning given to that term in the National Electricity Rules.

"*nominated transfer date*" has the meaning given to it in clause 8.11.

"*Power and Water Corporation (Generation)*" means the generation division of Power and Water Corporation.

"*Power and Water Corporation (Retail)*" means the retail division of Power and Water Corporation.

"*previous retailer*", in relation to a **transfer**, means the **retailer** that supplied the **customer** before the **transfer** time.

"*rejection*" means a network provider's rejection of a **customer transfer request form** under Clause 8.6.

"*required credit support amount*" means the amount by which the **network charges liability** exceeds the **credit allowance** of the **retailer**.

"*Required Generation Credit Support Amount*" means the financial value calculated in accordance with clause 3.2.

"*Required Network Credit Support Amount*" means the financial value calculated in accordance with clause 3.1.

"*retail billing period*" means a calendar month or any other period that is agreed between a network provider and a retailer as the retail billing period.

"*retailer*" means a person who holds a license authorising them to sell electricity as outlined in the **ERA**. For the purposes of clause A.A.7, a **retailer** means a person who holds a license authorising them to sell electricity in any of the Australian state or territory jurisdictions.

"*Retailer of Last Resort*" has the meaning given to that term in clause 9.2.

"*Retailer of Last Resort Event*" has the meaning given to that term in clause 9.3.

"Retailer of Last Resort tariffs" are the electricity tariffs approved by the **Commission** and charged by the **Retailer of Last Resort** to **customers** following a **Retailer of Last Resort Event**.

"Service Order Procedures" means procedures of that name prepared by a **network provider** and approved by the **Commission** as specified in Chapter 7 - Business-to-business arrangements.

"Service Order Request" means a request by a **retailer** for a **network provider** to perform a service in accordance with the **Service Order Procedures**.

"standing data" in relation to a **customer**, means **data** of the type set out in clause A4.1 of Annexure 4 for the **customer**.

"standing data request form" means the form published by a **network provider** under clause 6.9, in accordance with Annexure 1.

"statement of charges" means the statement of **network charges** provided by a **network provider** to a **retailer.**

"System Control Technical Code" means the code of that name authorised by the **Commission** and published by Power and Water Corporation.

"system controller" means a person who holds a licence authorising them to exercise control over the power system as outlined in the **ERA**.

"*transfer"* means transfer from one **retailer** to another **retailer** under this **Code** of rights and obligations at an **exit point** in connection with the supply of electricity to a **customer**.

"transfer date" means the date on which a **transfer** occurs.

"UMI" means the unique identifier assigned to an **exit point** by a **network provider**.

"*urban area"* means the city and suburbs of Darwin and Alice Springs.

"valid" means:

    (a)   in relation to a **data request**, the **data request** is complete and contains correct information; and

    (b)   in relation to a **customer transfer request form**, that the **customer transfer request form** has not been subject to a **rejection** by the **network provider**.

"verifiable consent", in relation to a request for **historical consumption data request form** or a **customer transfer request form** means consent that is given by a **customer**:

    (a)   expressly; and

    (b)   in **writing**; and

    (c)   after the **retailer** obtaining the consent has in plain language appropriate to the **customer** disclosed all matters materially relevant to the giving of the consent, including each specific purpose for which the consent will be used; and

    (d)   by a person whom a **retailer** (acting reasonably) would consider competent to give consent on the **customer's** behalf; and

    (e)   expires on the earlier of:

        (i) the time that either, **historical consumption data** is provided or the **transfer** of a **customer** occurs; or

        (ii) the time specified in or ascertainable from the **verifiable consent** as the time of expiry of the **verifiable consent**; or

        (iii) the first anniversary of the date the **verifiable consent** was first given.

*"**writing**"* includes any electronic form capable of being reduced to paper form by being printed.