AUSTRALIAN ENERGY REGULATOR

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21 June 2019

Dear Stakeholders

**Re: De-registration of life support customers without pre-requisite customer communications**

As you would be aware, Part 7 of the Retail Rules sets out a series of critical protections for customers who rely on their electricity or gas supply to power life support equipment.

Central to these obligations are requirements for both retailers and distributors to establish and maintain accurate registers of customers requiring life support equipment. These requirements include a series of pre-requisite steps that retailers and distributors must complete before a customer previously identified as requiring life support equipment is deregistered.

In July 2018 the facility for new notifications to assist with the registration and deregistration of life support customers were added to the B2B Procedure: Customer and Site Details Notification Process (B2B Procedure) published by AEMO in accordance with clause 7.17.3 of the National Electricity Rules. It has come to our attention that the way these notifications are being used to deregister life support customers may be giving rise to pre-emptive and wrongful deregistrations.

The Guidance Note in clause 4.5(d) of the B2B Procedures states that an updated Life Support Notification is only to be sent by a retailer or distributor "[w]here the Retailer or DNSP has completed the deregistration process".

We have been advised that a number of retailers may be issuing Life Support Notifications for deregistration prior to completion of the pre-requisite steps under rule 125 of the Retail Rules, and instead pre-empting those steps by marking those Life Support Notifications for a future date. This is inconsistent with rule 125 of the Retail Rules and with the guidance in clause 4.5 of the B2B Procedures.

We are also advised that automated systems employed by distributors may be processing Life Support Notifications with a future date immediately on their receipt, and not on the date specified in the Notification. De-registration in these circumstances falls outside the scope of rules 125(7) and (12) of the Retail Rules, which only allow a distributor to deregister a customer after being notified by the customer's retailer that the retailer has done so.

We ask that both retailers and distributors ensure that the policies, systems and procedures they have put in place under rule 126 of the Retail Rules to facilitate compliance with the deregistration process under rule 125:

- do not allow any Life Support Notifications for deregistration to be sent under the B2B Procedures before all pre-requisite steps under rule 125 of the Retail Rules have been completed
- do not allow Life Support Notifications for deregistration to be processed without regard to the date of effect specified in the Notification

Rules 125 and 126 of the Retail Rules are civil penalty provisions. Potential breaches of rule 125 must be reported to the AER immediately under section 274 of the Retail Law and the AER Compliance Procedures and Guidelines. Section 274 is also a civil penalty provision.

Yours sincerely

Jacqueline Thorpe
General Manager
Compliance & Enforcement

Sent by email on: 21.06.2019