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Life support review
Essential Services Commission
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To whom it may concern,

RE: Strengthening protections for life support customers 2019

Australian Gas Infrastructure Group (AGIG)¹ welcomes the opportunity to make this submission to the Essential Service Commission (Commission) on strengthening and clarifying protections for customers who require life support equipment. We strongly support the Commission using the National Energy Retail Rules (NERR) to guide the proposed amendments to the Gas Distribution System Code (Code).

In summary, we support the proposed alignment with the NERR for the following matters:

- requirement for better communications between energy businesses in relation to life support customers;
- life support protections being afforded to customers from the time they notify their energy business that they are a life support customer until they are validly de-registered;
- strengthened processes for the way life support customers are registered and de-registered;
- strengthened processes for seeking medical confirmation from life support customers;
- requirements to provide more relevant information to life support customers; and
- strengthened requirements to ensure life support registers are maintained and kept accurate.

We also support the key protections in addition to the NERR which requires all parties to establish whether the customer's life support equipment is fuelled by electricity or gas or both. If the life support equipment is only fuelled by electricity the customer should only be registered for electricity life support not gas. If the life support equipment is fuelled by gas, it is important to determine if the life support equipment also uses electricity to ensure the customer registered and protected.

As the life support obligations are new obligations for gas distribution businesses in Victoria we request the Commission extend the commencement date for gas from 1 January 2020 to 1 January 2021. Presently, there are no processes or systems in place to manage the transfer of the required life support information between retailers and distributors in Victoria. The processes that are in place in both South Australia and Queensland are manual and not able to manage the expected increased volumes from Victoria. We are in discussion with the Australian Energy Market Operator (AEMO) to investigate automated systems.

Our detailed issues and response to questions for stakeholders are contained in the attached appendix.

¹ AGIG is one of the Australian leading gas infrastructure company which consists of three gas businesses including two gas distribution companies Multinet Gas Networks and Australian Gas Networks (AGN) as well as a gas transmission company Dampier Bunbury Pipeline (DBP).

Should you have any queries about the information provided please contact myself (0403 309 940, craig.delaine@agig.com.au) or Vicky Knighton, Head of Compliance (0417 133 361, vicky.knighton@agig.com.au).

Yours sincerely,



Craig de Laine
General Manager People and Strategy

Appendix – Responses Questions for Stakeholders

Question 1: Life support customer numbers

Since the commencement of the new life support obligations in the NERR on the 1 February 2019, Australian Gas Networks (AGN) has the following number of registered life support customers for gas:

- 43 in the Queensland distribution network; and
- 317 in the South Australian distribution network.

During the same period (1 February to 30 July 2019) AGN has received 269 enquires from retailers regarding gas life support in Victoria.

Multinet Gas Network has presently 11 customers as flagged as critical load. Customers are flagged as critical load as there are no specific life support obligations in the Gas Distribution System Code.

Question 2: Feedback on implementing the national rules

As stated in our letter the processes and systems that are in place in both South Australia and Queensland to manage the registration and de-registrations of customers are manual. The life support registration and deregistration information is shared between distributor and retailers via comma-separated values (CSV) file via zip encrypted email. This process is very labour intensive. Initially, it was thought that the number for gas life support registrations would be low and an expensive automated system was not required.

Based on our experience with the number of registrations in South Australia (and enquires in Victoria) we believe that an automated system is now required with the extension of life support protection to Victoria. We are presently in discussion with AEMO regarding the most appropriate system to transfer the complex and sensitive information between retailers and gas distributors. Please note in the states with NERR the electricity businesses already have an automated system that can manage the required information.

As gas distributors in Victoria are currently not required to have life support customer registers we request the Commission extend the commencement date for gas from 1 January 2020 to 1 January 2021. The implementation timeframe of 12 months is consistent with the timeframe used by the Australian Energy Market Commission (AEMC) for the new life support provisions in the NERR.²

In our NERR states, we have also received a number of enquiries from customers who have been registered as requiring registration for life support when in fact the equipment is not fuelled by gas. One example was a customer with a person residing at the premise requiring a continuous positive airway pressure (CPAP) machine. A CPAP machine is fuelled by electricity only not gas but they were registered for gas and electricity.

The customer contacted us to inform us that the CPAP machine does not use gas and to de-register them. As we were not the process owner we had to instruct the customer to contact the retailer directly. This understandably frustrated the customer. We forwarded the customers email to the retailer, although they were unable to enact the de-registration process based on the information we provided under the NERR. We believe the Commission's requirement to establish whether the customer's life support equipment is fuelled by electricity or gas would prevent similar issues in Victoria.

² AEMC 2017, *Final Rule Determination National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017*, page iii

Another customer issue was a property developer that purchased a property to demolish. They contacted us directly to have the gas meter removed to enable the safe removal of the structures. We were unable to remove the gas meter, as the premise was registered as requiring life support. Upon investigation it was identified that the life support registration was maintained for the premise when the new owner contacted the retailer. The customer was required to contact the retailer and request that the life support registration be removed. The de-registration process takes a minimum of 21 business days and we were unable to remove the gas meter until the de-registration process was completed.

Questions 3 and 4: Requirement for customer to provide medical confirmation

We support the alignment with the NERR in relation to how energy businesses seek medical confirmation. We agree the NERR provides clearer processes to seek medical confirmation from life support customers.

As a business operating across different jurisdictions, we support the adoption of already established practices to avoid increased compliance costs incurred by businesses associated with varying regulatory requirements across different state jurisdictions in Australia. We consider that this approach is consistent with the long-term interests of energy customers.

The requirement for a customer to provide either the retailer or distributor with a confirmation form is a key control to ensure that the life support registrations are accurate. As part of the implementation of the recent NERR life support changes, we strongly supported the Energy Networks Association position that the development of a life support customer information template (medical confirmation form) was critical to ensure the harmonization of information collected by all retailers and distributors.

It is important for distributors to know the identity and contact details of the life support customer and if necessary, their carer's name and contact details. Fixed and mobile phone numbers as well as email addresses are important contact methods. Current industry rules do not oblige retailers to supply all contact details to distributors. The completion of the medical confirmation form enables the collection and supply of this information to distributors in a consistent manner. We believe the requirement to issue a consistent medical confirmation form to all customers registering for life support must be a mandatory requirement as is the case in the NERR.

The medical confirmation form used by the AGN Queensland and South Australian networks can be found on our [website](#).

Question 7: Seeking stakeholder views on whether distributors should be able to de-register some life support customers

We support the alignment with the NERR in relation to the de-registration process.

Questions 8 and 9: Seeking stakeholder views on the time-bound notification requirements

We do not support the departure from the NERR to include the requirement of the registration process owner notifying the other party within one business day after being notified by the customer. As previously stated, there are no automated systems to provide the notification to the other party for gas and we rely on manual systems. Automated systems of this nature will be costly and challenging to implement prior to the proposed commencement date.

As part of the recent NERR life support changes both the AEMC and the Australian Energy Regulator (AER) considered the need for including a timing requirement for registration. The AER stated in their submission:

"We consider businesses are likely to action the required steps in relation to life support registration relatively quickly even if the rules are silent on a timeframe."³

We support the AER's view and do not believe a timeframe to update the register is required.

Draft Decision 8: Proposal to maintain the existing obligations in the Gas Distribution System Code that require gas distributors to give at least 10 business days' written notification of a planned interruption for maintenance and up to 10 business days' notice in the event of a disconnection for health and safety reasons

As noted in the Draft Decision the Electricity Distribution Code requires distributors to give at least four business days' written notice of any planned interruption and the NERR has an equivalent obligation on distributors. Thus, gas customers in states with NERR are given at least four business days' written notice of any planned interruption.

As noted previously and in the Draft Decision gas life support equipment typically requires both gas and electricity to operate. Thus, a customer with gas hot water for life support will be given four business days' notice of a planned electricity interruption and 10 business day notice of a planned gas interruption. We believe this is likely to cause confusion with customers and retailers having inconsistent notice periods. We request the Commission consider amending this requirement in the Code to align with the NERR and Electricity Distribution Code for planned notification timeframes.

Draft decision 9: Proposal to include an additional clause in the Gas Distribution System Code that requires distributors to provide life support customers with the option of providing explicit informed consent for a planned interruption to occur on an earlier specified date

We support the inclusion of the additional clause.

Draft decision 10: Proposal to include an obligation in the Gas Distribution System Code that allows life support customers to request a longer period of notice for a planned interruption

While the Code includes a timeframe of at least 10 business days' written notification of a gas planned interruption we do not support the inclusion of a new clause to enable customers to request longer notice periods. This will create additional operational issues for scheduling planned maintenance activities, such as meter replacement and mains renewal works.

We would like to highlight again, that electricity distributors are only required to provide four business days' notice and the request for an extension would result in a total of eight business days' notice. This is still less than the existing gas notice period of 10 business days.

³ AER 2017, *National Energy Retail Amendment – strengthening protections for customers requiring life support equipment*, page 6

Draft decision 11: Alignment with the NERR in relation to registering and de-registering life support customers

The NERR introduced a tripartite contractual relationship for both electricity and gas customers. The regime provides for a contractual relationship (deemed contracts) between distributors and customers in relation to connection and supply (in addition to the contractual relationship customers have with retailers). In Victoria, there are no deemed contracts between gas distributors and customers. We request the Commission consider the implications of a lack of a contractual relationship in gas. We believe that as retailers hold the contractual relationship they are better placed to be the registration process owner for gas.

As stated in the Draft Decision;

"a customer's primary relationship is with their energy retailer or exempt seller. We also understand that customers have more regular contact with their retailer or exempt seller than their energy distributor or exempt supplier".⁴

We believe it is simpler for customers if they contact their retailer in the first instance for registration.

Draft decision 20: Proposal to adopt the existing definition of life support equipment that is in the Energy Retail Code and apply it all three energy codes

We support the alignment of the definition of life support in all three energy codes. We do not support the adoption of the existing definition of life support equipment definition that is in the Energy Retail Code. We believe that the definition used in the NERR is a more appropriate definition and will enable distributor and retailers operating across multiple jurisdictions to adopt the same process and procedures.

⁴ Commission 2019, *Strengthening protections for life support customers*, page 12