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Life support review
Essential Services Commission
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17 September 2019

AGL Energy (AGL) welcomes the opportunity to provide input to the Essential Services Commission of Victoria (ESC) Draft Decision into Strengthening Protections for Life Support Customers (draft decision).

AGL supports strong and robust rules and industry processes to ensure that Life Support customers are appropriately registered and protected, receive appropriate information and support from industry to maintain their energy supply.

AGL encourages alignment with the recent amendments to the National Energy Retail Rules (NERR) in relation to life support customers. However, we are unclear if the proposal in the Draft Decision is to adopt the NERR process or to introduce a variation of that process which aligns to the current Victorian obligations.

Below are suggestions to help strengthen the Victorian framework and provide for a more effective customer experience. These suggestions are based on both our experience managing customers with life support equipment, and our recent experience operating under the new NERR obligations:

- As a customer's primary relationship is with their energy retailer, AGL believes that the energy retailer should be the sole party responsible for registration and de-registration of life support customers. In the case where the distribution business identifies that life support is no longer required at a site through their annual communication programs, they should be obligated to inform the customer to contact their retailer directly to commence the life support de-registration process.
- AGL supports not capturing the application of the NERR retailer planned outage notification at this time.
- AGL supports the proposal that retailers ask new customers whether they require life support equipment during the on-boarding process. However, AGL does not support the requirement to confirm life support needs at re-contracting.
- AGL supports the proposal requiring the registration process owner to notify the network business within one business day as well as the registration process owner and other party updating their register within one business day. However, due to the limitations of contact information and no transactional processes with exempt sellers, AGL does not believe that this component may be achievable at this time.
- AGL believes the medical confirmation requirements for life support equipment registration is required, noting that any Victorian Life Support concession administered by the Victorian Department of Health and Human Services (DHHS) requires the use of the DHHS concession form and medical confirmation. To minimise impact on customers, AGL believes a customer can visit their local General Practitioner (GP) to obtain confirmation for both life support registration and concession eligibility.
- AGL does not support the ESC's two proposed alternatives where there is no requirement for a customer to provide the retailer with confirmation from a registered medical practitioner for life



support equipment. The confirmation is highly critical for the retailer to obtain relevant information regarding the type of life support equipment and the fuel required to support the equipment.

AGL supports the draft decision to establish transitional arrangements to support the implementation of the new life support obligations and avoid creating two tiers of protections. We offer the following comments to ensure the transitional arrangements provide for a seamless customer experience while also minimising retailer implementation costs:

- the quarterly reconciliation process that retailers and distribution businesses use to validate accuracy of life support registration should be used as an alternative to draft decision 2, whereby the ESC proposes between 1 December 2019 and 31 December 2019, distribution businesses will be required to provide details of supply addresses that require life support equipment to relevant retailers.
- AGL supports the proposal that retailers communicate with legacy customers. However, AGL notes that we have already implemented the NERR obligations for most Victorian electricity life support customers and therefore these customers registered for life support post February 2019 would not need to receive the proposed ESC communication.

Finally, while AGL has adopted the electricity NERR obligations into its systems and processes for most of the Victorian life support customers with electrical appliances, we do not believe a January 2020 implementation timeframe is appropriate for all new Victorian obligations, including gas customers. Given the highly sensitive nature of life support and the need to train customer service consultants on the Victorian obligations, AGL believes full implementation should be from July 2020. A July 2020 start date will also ensure market participants are able to simultaneously complete the transitional arrangements while making the necessary changes to comply with the new arrangements.

The remainder of the submission provides specific responses on the ESC's draft decisions.

If you have any queries or would like to discuss our submission in more detail please contact me on (03) 8633 6646 or email christodoulidis@agl.com.au

Yours sincerely,

(signed for electronic transmission)

Con Hristodoulidis
Senior Manager Energy Market Regulation



Specific Comments

Draft Decision 1 – Implementation of the NERR framework

While AGL is supportive of including gas into the process, changes will be required to provide information to gas distribution businesses in Victoria. AGL recommends the retailer be the sole party responsible for commencing registration and de-registration of life support as they have the direct relationship with the customer. AGL supports not capturing the NERR retailer planned outage requirements.

Draft Decision 2 – Transitioning of legacy Customers

Retailers and distribution businesses undertake quarterly reconciliation of life support customers, and hence AGL considers the proposed transitional requirement can be more effectively achieved through the quarterly reconciliation arrangements.

Draft Decision 3 – Communicate with Existing Customers

AGL is partially supportive of this draft decision but notes that with the implementation of the NERR it would be expected that retailers had already commenced that process with Victorian customers. AGL would suggest that customers that had not been communicated with Life Support Confirmations could be contacted and the process commenced with those customers, as broadly proposed by the ESC.

Draft Decision 4 – Inclusion of Gas Networks

AGL supports this draft decision.

Draft Decision 5 – Prohibition on Disconnection

AGL supports this draft decision.

Draft Decision 6 – Notice of Planned Interruption

AGL supports this draft decision but notes that the NERR also allow for customers to negotiate for interruptions.

Draft Decision 7 – Increased notice period

AGL notes this draft decision but is unclear how it would operate and seeks further clarification prior to the final decision.

Draft Decision 8 – Gas Interruption Notices be 10 days

AGL seeks clarification as to why there is a greater requirement for Gas compared to electricity distribution businesses for interruption notices. The NERR requirements have standardised this requirement for both fuels.

AGL is concerned that a Health and Safety event may require immediate disconnection for the customer and surrounding customers safety and may negatively impact on the gas distribution businesses' obligations under other Legislation. Therefore, we request the ESC provide further clarity on the 10-day obligation for disconnection for Health and Safety reasons.

Draft Decision 9 – Explicit Informed Consent for a specified Date

AGL supports this draft decision.



Draft Decisions 10 - Increased notice period

Please refer to our response on draft decision 7.

Draft Decision 11 – Alignment of Registration and Deregistration Process

The NERR is unclear on the process owner in deregistration and in the case of a customer move out or customer transfer to another retailer. It is AGL's preference that the retailer is the sole party responsible for commencing the registration and de-registration process.

There is also ambiguity in the NERR Rules with respect to retailer obligations post customer moving out or in-situ transfer to another retailer. In both instances, it appears that under the NERR Rules the losing retailer is required to maintain an active life support registration for 15 business days post notification that the customer has moved out or changed retailer at the same address. In these cases, the losing retailer has no ability to affect the lost customer. It is AGL's view that in these instances the losing retailer should only be obligated to inform the customer that they have been de-registered as life support from the nominated day of the move out or in-situ transfer and the customer should seek re-registration with their new retailer.

AGL believes these proposed recommendations can address the gaps in the NERR Rules process and improve consumer and industry outcomes.

Draft Decision 12 – Medical Confirmation

AGL supports the requirement for medical confirmation and notes that in order to be eligible for concessions, DHHS requires specific forms to be signed by the GP. From a customer experience perspective and to ensure that both AGL and the relevant distribution business are clear on which fuel (or fuels) require life support protections, AGL strongly supports the requirement for a medical confirmation form to be provided.

Draft Decision 13 – Life Support Registers

Retailers and electricity distribution businesses already have reconciliation processes in place. These can be extended to Gas Distributors. However, AGL notes that as there are very limited mechanism to communicate with exempt sellers and exempt sellers are not transactional in the energy markets, AGL would expect any process involving an exempt seller would either require access to appropriate AEMO B2B processes or the development of manual processes.

Draft Decision 14 – Provision of Information to Customers

AGL notes this draft decision and as previously stated, has implemented the majority of the NERR Rules for Victorian electricity customers.

Draft Decision 15 – Retailer Planned Interruptions

AGL supports this draft decision.

Draft Decision 16 – Asking Customers if they require Life Support equipment

AGL supports the proposal that retailers ask new customers whether they require life support equipment during the on-boarding process. However, AGL does not support the requirement to confirm life support needs at re-contracting or to ask customers specific questions about Life Support Equipment during re-contracting.



The life support process can take approximately 90 days from commencement. Some customers who have commenced this process may change contracts for various reasons, and it would not be reasonable to ask about those requirements during that initial period.

Equally, if a customer has provided medical confirmation it would not seem reasonable to ask them if they require life support protections within a reasonable period of the provision of that medical confirmation, say three years.

AGL would suggest that if the customer has contracted with the retailer within say three years, that there be no requirement to seek confirmation again. We suggest three years, as if a customer has not not changed retailer, three years provides a reasonable period to seek reconfirmation.

AGL also notes, Medical Confirmation is required for concessions, and AGL believes that the specific information required to confirm a Life Support Requirement can be provided via the medical confirmation. Thus, the information needed at the initial contracting stage can be minimised.

Draft Decision 17 – Requirement to establish fuel requirements

AGL supports this draft decision. We believe the medical confirmation form process should clearly provide the information on the fuel required to support the equipment for life support registration.

Draft Decision 18 – Timely Notification of Requirements

AGL supports the draft decision but notes that the gas distribution businesses do not have electronic transactions available at this time to support this requirement, and that exempt sellers are not transactional within the energy markets and generally do not make their contact details available to energy retailers or networks.

Draft Decision 19 – Updating of Life Support Registers

AGL supports this draft decision.

Draft Decision 20 – Definition of Life Support Equipment

AGL support this draft decision. We believe the medical confirmation form should contain all necessary information. AGL would suggest that the interim registration stay in place, but that the customer can be requested to provide the required information if the medical confirmation form is incomplete.

Draft Decision 21 – Use of Medical Certificates

Please see response to draft decision 12 regarding the DHHS requirements.

Draft Decision 22 – New Obligations on exempt sellers

AGL supports the draft decision, but as previously stated, notes that exempt sellers do not generally have public contact details available and are not transactional within the energy markets, As such, AGL suggests that some further work may be required with exempt sellers to operationalise these requirements.

Draft Decision 23 – On Market Embedded Network Customers

AGL supports the draft decision to retain the obligation with the retailer.

Draft Decision 24 – Notification of Outage



AGL supports this draft decision. However, we recommend that the exempt supplier should be required to notify all customers connected to its' network of the interruption details, regardless of whether they are life support or on-market customers.