



ENERGY & WATER
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Department for Energy and Mining
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Emailed to dem.consultation@sa.gov.au

10 September 2021

Submission on the Department for Energy and Mining's ("the Department") consultation on proposed amendments to customer payment under the Remote Area Energy Supply (RAES) Scheme Issues Paper ("Prepayment Issues Paper")

The Energy & Water Ombudsman (SA) Limited ("the Scheme") welcomes the opportunity to comment on the Department's Prepayment Issues Paper.

The Scheme is an independent Energy and Water Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (inter alia) the connection, supply or sale of electricity, gas or water.

The Scheme is aware that prepayment meters were made available for some customers on a voluntary basis in South Australia until the retailer (Aurora) decided to vacate. We understand that during this time, prepayment worked well for those who chose to participate. There were very few complaints about the use of prepayment meters in the context of the customer choosing the option voluntarily.

We note the development of the Prepayment Meter System Code ("the Code") by the Essential Services Commission of South Australia ("the Commission") in 2005 following wide consultation. The Code was amended in 2013 to regulate the operation of prepayment systems by retailers in small scale and off-grid networks not captured by the National Energy Customer Framework.

The Scheme is concerned about prepayment where it is mandated rather than a voluntary option which provides choice of payment type. Despite the provisions proposed by the Department, customers may remain disconnected for extended periods under this arrangement and hardship provisions may not always apply when needed, particularly where a customer is left off supply.

Specific comments:

1. Customer protections: it is important, in our view, that these customers have access to energy specific independent dispute resolution, particularly considering the vulnerable circumstances of many of these customers. As a condition of licence, the supplier should be required to be a Scheme Member. As the Commission has noted, the benefits offered by Scheme jurisdiction include:



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- “EWOSA is a recognised expert in customer complaint and dispute resolution, having provided that service for over 20 years in regulated essential services markets.
 - Customers benefit from EWOSA’s consistent, impartial dispute resolution process, with the ability to impose remedies.
 - Licensees benefit from EWOSA’s cost-effective achievement of outcomes that reasonably reflect the interests of all parties, given the nature of the dispute, and the behaviour of the participants to the dispute.
 - The Commission benefits through reporting processes. EWOSA provides the Commission with complaint, dispute and systemic issues data that may be used to identify areas of regulatory concern or potential issues, regarding the manner in which a licensee is conducting its operations.”¹
2. The proposed provision that “Friendly credit must be paid back before new credit is added to the meter” may increase the length of disconnections.
 3. The proposed provision that “Any customers needing such support will be identified during the door-to-door education visits prior to the introduction of charging” may preclude customers identified as needing life support after the door-to-door education visits have ceased.

Thank you for consideration of this submission. Should you require further information or have any enquiries in relation to this submission, please contact Jo De Silva via jo.desilva@ewosa.com.au or phone (08) 8216 1851.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Jo De Silva'.

Jo De Silva
Policy and Communications Lead
Energy and Water Ombudsman SA

¹ 2021 Essential Services Commission of South Australia *Inquiry into the regulatory arrangements for small-scale water, sewerage and energy services* at <https://www.escosa.sa.gov.au/ArticleDocuments/1005/20210713-Inquiry-SmallScaleNetwork-FinalReport.pdf.aspx?Embed=Y> pp.45.