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Conrad Guimaraes
Adviser
Australian Energy Market Commission

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Submitted online

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Dear Mr Guimaraes,

Maintaining life support customer registration when switching rule (RRC0038)

Jemena Gas Networks (NSW) Ltd (**JGN**) welcomes the opportunity to provide a submission to the Australian Energy Market Commission's (**AEMC**) consultation paper in response to the life support rule change proposal by the Energy and Water Ombudsman of New South Wales (**EWON**).

JGN is a regulated gas distribution network and therefore has a direct interest in this review. JGN distributes natural gas to more than 1.4 million residential business and industrial sites in Sydney, Newcastle, the Central Coast and Wollongong, as well to customers in more than 20 regional centres across NSW, including the Central West, Central Tablelands, South Western, Southern Tablelands, Riverina and Southern Highlands regions.

EWON's rule change request seeks to change the National Energy Retail Rules (**NERR**) to facilitate the transfer of life support customers' medical information between outgoing and incoming life support Registration Process Owners (**RPO**), following a customer change of premises or retailer. EWON suggests these changes would reduce the need for an incoming RPO to require customers to resubmit medical confirmation, thus lowering imposts on life support customers who engage with the retail market.¹

EWON notes that life support customers have told it that it is onerous and expensive to make an extra visit to their medical practitioner solely for the purpose of again providing medical confirmation of life support. This requirement is seen as a barrier to switching retailers, and a cause of stress. EWON states that it has received several complaints about this requirement, although it has not specified how many.²

¹ AEMC, Maintaining life support customer registration when switching, Consultation paper, 6 August 2020, page 8

² EWON, *Rule change request to the Australian Energy Market Commission: Improving retailer transfers and consumer choice for vulnerable life support customers*, 11 June 2020, pp 1-2.

JGN supports provisions within the NERR to protect life support customers

JGN supports provisions within the NERR to protect life support customers and to promote their participation in the energy market. We support changes to the NERR where they demonstrably better contribute to the National Energy Retail Objective (NERO).

An alternative solution may be preferable

Based on the information provided, it is not possible to assess the extent to which having to provide medical confirmation of life support has prohibited life support customers from switching retailers. However, should the issue be material, the AEMC should consider all options to address it and only make a new rule if it can be shown that the benefits outweigh the costs associated with its implementation.

In its rule change request, EWON has noted that an alternative solution to changing the rules may be preferable due to the costs associated with processing a rule change. We agree. We would support a solution that reduces the requirements for life support customers to visit a doctor without imposing significant additional system costs on the industry that would ultimately be paid for by customers.

Any changes to the NERR should carefully consider how the transfer of medical information will work in practice

Jemena agrees with the AEMC's risk assessment in its 2017 Draft Rule Determination³ that *"...information sharing processes between retailers are not likely to be completely accurate, requiring retailers to share customers' life support details between themselves could also increase the risk that someone will erroneously be left off the register... As such, the Commission considers that the lower-risk option is for switching customers to inform their new providers that they need life support..."*

Any changes to the NERR should carefully consider how the transfer of medical information will work in practice, under the full range of possible scenarios that might arise. This includes how B2B transactions would occur between parties that currently don't communicate via B2B transactions. For example, in the case where the distribution network service providers (DNSP) was the RPO, a change of premises by the life support customer into a new network area may require B2B transactions between DNSPs. Whereas DNSPs currently communicate with retailers via B2B transactions, no such arrangements exist between DNSPs. Implementing system changes to enable DNSPs to communicate using B2B transactions, with the required security protocols to protect customer's private information, is likely to be a costly, and should be considered as part of any cost benefit analysis.

Further complications would arise if a life support customer moved from an electricity-only premises into a premises connected to both the electricity and gas networks, each serviced by a different DNSP. If the RPO is the electricity retailer, it is not clear how the gas DNSP would be notified that the life support customer had moved into its network.

³ AEMC, Draft Rule Determination, National Electricity Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017

Requirement to provide updated medical confirmation of life support registration

EWON notes that in considering its rule change proposal, the AEMC may also wish to consider the appropriateness of a requirement to provide updated medical confirmation for continued life support registration after a set timeframe. JGN would be supportive of such a requirement.⁴

Should you have any further questions on this submission, please contact me on (02) 9867 7013.

Yours sincerely,

Ana Dijanosic

Ana Dijanosic
Gas Regulation Manager

⁴ EWON, *Rule change request to the Australian Energy Market Commission: Improving retailer transfers and consumer choice for vulnerable life support customers*, 11 June 2020, p 3