

Compliance Check

# National Energy Retail Rules: retailer-initiated de-energisation

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| The Australian Energy Regulator receives reports from retailers under its Compliance Procedures and Guidelines and is concerned about the number of disconnections being reported as being otherwise than in accordance with the National Energy Retail Rules. The AER has issued this Compliance Check to remind retailers of their obligations under sub rule 111(1) of the Retail Rules. |

## Retailer requirements

Division 2 of Part 6 of the Retail Rules sets out requirements relating to de-energisations initiated by energy retailers when a customer fails to pay a bill. Over the past six months, the AER has received a significant number of reported breaches of sub-rule 111(1) which states the steps retailers must take prior to arranging de-energisation of a customer’s premises for non-payment of a bill.

The flow chart below outlines the steps retailers must take under sub rule 111(1) prior to arranging
de-energisation.

### Step one:

**111(1)(a)**: A customer has not paid a bill by the pay by date or is on a payment plan and has not adhered to the terms of the plan, or

**111(1)(b)**: A residential customer has not paid a bill by the pay by date or has not agreed to pay the bill by instalments or has failed to adhere to an instalment arrangement.

### Step two:

**111(1)(c):** Reminder notice issued. (includes period to pay bill)

### Step three:

**111(1)(d):** Disconnection warning notice issued. (after period to pay bill has expired)

### Step four:

**111(1)(e):** Retailer has used its best endeavours to contact the customer in connection with the failure to pay or to adhere to an instalment arrangement in one of the following ways:

1. in person
2. by telephone
3. by fax or other electronic means.

Note: Contact by telephone (if unanswered) and electronic means is only taken to have occurred if the customer acknowledges receipt of a message.

### *Retailers may need to attempt a variety of methods to contact the customer in order to satisfy sub-rule 111(1)(e).*

### Step five:

**111(1)(f)**: Customer has refused or failed to take reasonable action towards settling the debt.

### Step six:

Requirements of sub rule 111(1) have been met.

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