

Level 17, Casselden
2 Lonsdale Street
Melbourne VIC 3001
GPO Box 520
Tel: (03) 9290 1444
Fax: (03) 9290 1457

Our Ref: 65295
Contact Officer: Susan Faulbaum
Contact Phone: (08) 82133463

www.aer.gov.au

23 December 2019

Dallas Hunter
Group Manager – Property Development
FKG Group
275 McDougall Street
Toowoomba Qld 4350

By email: dallas.hunter@fkg.com.au

Dear Mr Hunter

Aatlis Utilities Pty Ltd — application for an individual exemption

I refer to your application, accepted on 13 September 2019, for an individual exemption under the National Energy Retail Law (Retail Law) for Aatlis Utilities Pty Ltd (Aatlis Utilities) ACN 629 858 724 to sell electricity and gas at the **Aatlis Microgrid**, an area including 100 Witmack Road, Wellcamp, Qld, 4350.

Pursuant to the delegation given to me by the AER, I have assessed Aatlis Utilities' application for individual exemption and am satisfied that it complies with r.157(2) of the Retail Rules and can be exempt from the requirement to hold a retailer authorisation.

The AER has considered the policy principles relating to exempt selling in s. 114 of the Retail Law, being:

- regulatory arrangements for exempt sellers should not unnecessarily diverge from those applying to retailers,
- exempt customers, should, as far as practicable, be afforded the right to a choice of retailer in the same way comparable retail customers in the same jurisdiction have that right, and
- exempt customers, should, as far as practicable, not be denied customer protections afforded to retail customers under this Law and Rules.

The AER's decision is guided by the objective of the Retail Law,¹ the exempt seller factors,² the customer related factors,³ and the assessment approach outlined in the AER (Retail) Exempt Selling Guideline.

If Aatlis Utilities decides to change the way it sells electricity and gas, it should contact the AER as it may need to apply for an authorisation or another exemption to do so. Please be aware that selling energy outside of the scope of the present exemption may contravene s. 88 of the Retail Law and we may take enforcement action or otherwise seek to ensure compliance.

Please note that the exemption is subject to your acceptance of the conditions set out in the Instrument of Exemption. Aatlis Utilities Pty Ltd must advise the AER in writing by **27 January 2020** whether it accepts these conditions.

If you have any further queries, or would like to discuss this further, please contact Susan Faulbaum on (08) 8213 3463.

Yours sincerely



Sarah Proudfoot
General Manager, Consumers and Markets

¹ The national energy retail objective is to 'promote efficient investment in and efficient operation and use of energy services for the long term interests of energy consumers with respect to price, quality, safety, reliability and security of supply of energy' (s. 13, National Energy Retail Law (Retail Law)).

² s. 115, Retail Law.

³ s. 116, Retail Law.

Schedule 1: Instrument of Exemption

INDIVIDUAL EXEMPTION FROM THE REQUIREMENT TO HOLD A RETAILER AUTHORISATION

DATE OF ISSUE: 23 December 2019

FORM OF ENERGY: Electricity & Gas

Pursuant to section 110 of the National Energy Retail Law, the Australian Energy Regulator (AER) decided, on 16 December 2019, to grant Aatlis Utilities Pty Ltd / ACN 629 858 724 an exemption from the requirement to hold a retailer authorisation under section 88 of the National Energy Retail Law, subject to the conditions set out below. This exemption applies to the sale of electricity and gas to **business customers**¹ within the '*private network*' defined as the **Aatlis Microgrid**, an area including 100 Witmack Road, Wellcamp, Qld, 4350.

Condition 1 – Obligation to supply

- 1 The exempt person cannot refuse to sell energy to a customer, except:
 - a. in accordance with relevant disconnection provisions and
 - b. where the exempt customer's premises have been disconnected by the exempt person for a reason other than failure to pay a bill and the matter leading to the disconnection has not been rectified. The exempt person must reconnect the premises and offer to sell energy once the matter is rectified.

Condition 2 – Information provision

- 1 The exempt person must advise exempt customers, in writing, at the start of their tenancy/ agreement, and to existing customers on commencement of this exemption of the following:
 - a. the legal name, trading name (if relevant) and contact details of the exempt seller
 - b. any right of the exempt customer, under state laws, to elect to purchase energy from a retailer of their choice and information on:
 - i. the options to connect to the local electricity distributor's network and the National Electricity Market and
 - ii. any requirements or implications of future connection.
 - c. that the exempt person is not subject to all the obligations of an authorised retailer, and the exempt customer will not receive the same protections as it would if it were purchasing from an authorised retailer
 - d. the exempt customer's rights in relation to dispute resolution including:

¹ A business customer is defined as customer who is not a residential customer. Refer to NERL s.5 for the definition of a residential customer.

- i. any right the exempt customer has to access the energy ombudsman scheme (if applicable), including to lodge a complaint or for free independent information and advice, or any other relevant external dispute resolution body in the state or territory in which the exempt customer is located and
 - ii. the exempt person's procedures for handling complaints and disputes.
 - e. the conditions applicable to the exemption that the exempt person is operating under
 - f. the availability of relevant government or non-government energy rebates concessions and relief schemes
 - g. the forms of assistance available if the exempt customer is unable to pay energy bills due to financial difficulty, as well as the process the exempt customer should follow to seek these forms of assistance
 - h. the energy tariffs and all associated fees and charges that will apply to the exempt customer in relation to the sale of energy
 - i. the flexible payment options that are available to the exempt customer in relation to the sale of energy, such as arrangements for payment by periodic instalments (bill smoothing)
 - j. contact numbers in the event of a gas or electricity fault or emergency.
- 2 The exempt person must provide the information set out in paragraph 1 of this condition at any time on request by the exempt customer or the AER.

Condition 3 – Additional information provision for grid connected customers joining the private network

- 1 Should a grid connected customer choose to disconnect from the local electricity distributor's network and connect to the *private network*, the exempt person must provide that customer with the following information:
 - a. the customer's option to reconnect to the local electricity distributor's network and the National Electricity Market and any requirements or implications of future reconnection
 - b. a copy of the electricity sales agreement to be offered by the exempt person.
- 2 The exempt person must ensure that information regarding disconnection from the National Electricity Market and acceptance of a supply offer by the exempt person is clearly, fully and adequately disclosed to the customer, and that it has regard to that customer's capacity to provide consent.

Condition 4 - Collecting and recording explicit informed consent

1. The exempt person must provide the information set out in condition 3 to any grid connected customer choosing to disconnect from the distributor's network and connect to the *private network*. The information must be provided prior to seeking the customer's explicit informed consent to connect to the *private network*.
2. The exempt person must keep records of the consent obtained. These records must:

- a. include copies of the information provided to the customer
 - b. include records of any consultations and meetings held with customers
 - c. record the outcome of any negotiation and/or dispute resolution with customers
 - d. be kept for a period of two years
 - e. be provided to the AER on request.
3. The exempt person must record the customer's consent to disconnect from the distributor's network and connect to the *private network* in a document that is separate to any document acknowledging that the customer is selecting the exempt person as its electricity supplier.

Condition 5 - Billing and payment arrangements

1. The exempt person must ensure that bills are issued to each exempt customer at least once every three months.
2. The exempt person must offer at least two payment methods to an exempt customer. However, if an exempt person offers direct debit as one payment method, they must also offer at least two other payment methods to an exempt customer (that is, at least three methods in total). In each case, at least one of the payment methods offered must be able to be effected without internet access. For example:
 - a. in person
 - b. by telephone
 - c. by mail
 - d. by direct deposit into a bank account.
3. An exempt person must include the following particulars in a bill for an exempt customer:
 - a. the legal name, trading name (if relevant) and contact details for the exempt seller
 - b. the name of the exempt customer
 - c. the address of the exempt customer's premises
 - d. date that the account was issued
 - e. the identifier of the meter for the exempt customer' s premises
 - f. the pay-by date for the bill
 - g. date of the current meter reading or estimate, as applicable
 - h. the dates to which the meter reading or estimate applies (billing period)
 - i. current meter reading or estimate in kilowatt hours and/or cubic metres, as applicable. Where the amount is an estimate, this must be clearly stated on the bill.
 - j. previous meter reading or estimate in kilowatt hours and/or cubic metres, as applicable. Where the amount is an estimate, this must be clearly stated on the bill.

- k. the amount of energy consumed, or estimated to be consumed, in the meter reading period. For electricity, consumption must be shown in kilowatt hours.
- l. tariffs, fees and charges applicable to the exempt customer
- m. the basis on which tariffs, fees and charges are calculated. This includes:
 - i. the usage rate specified in cents per kilowatt hour (c/kWh) for electricity and in dollars per megajoule (\$/MJ) for gas
 - ii. the daily supply charge in cents per day (c/day) (if charged)
 - iii. the number of days in the billing cycle.
- n. any amount deducted, credited or received under a government or non-government funded energy charge rebate, concession or relief scheme or under a payment arrangement
- o. details of the available payment methods
- p. a telephone number for account inquiries and complaints.

Condition 6 - Estimation as basis for bills

1. The exempt person must use best endeavours to ensure that the meter for each exempt customer is read and used as the basis, or apportioned, for any bill issued.
2. The exempt person cannot rely on an estimation of the meter value at the start of an energy supply arrangement with an exempt customer, or for the purpose of issuing a final bill to an exempt customer.
3. The exempt person may base an exempt customer's bill on an estimation of the exempt customer's consumption of energy where the exempt person is not able to reasonably or reliably base the bill on an actual meter reading.
4. Where an estimation is used as the basis for an exempt customer's bill, the estimation must be based on:
 - a. historical metering data for the exempt customer reasonably available to the exempt person, or
 - b. where this is not available, the average usage of energy by a comparable customer over the corresponding period.
5. If an exempt customer's bill is based on an estimation, this must be clearly stated on the bill.

Condition 7 - Pay-by date

1. The pay-by date for a bill must not be less than 13 business days from the date on which the exempt person issues the bill.

Condition 8 - Receipts

1. The exempt person must provide each exempt customer with a receipt for any amount paid for energy, except where payment has been made by:

- a. direct debit, or
 - b. credit card over the phone and the customer is provided with a receipt number.
2. The exempt person must provide the exempt customer with a separate receipt if a payment for energy was made together with a rent payment but has not been separately identified on the rent receipt.

Condition 9 – Pricing

Note: Condition 9 does not apply to large customers of the exempt person.²

1. The exempt person must provide notice to the exempt customer of any change in the exempt customer's tariff as soon as practicable, and no later than the exempt customer's next bill.
2. The exempt person must not impose any charge on an exempt customer that could not be charged by the relevant local area retailer for new connections under a standard retail contract. A "charge" includes, but is not limited to, account establishment fees, late payment fees, debt collection fees, disconnection and reconnection charges and security deposits.³ The amount of any allowable charge must not be greater than that charged under the relevant local area retailer's standard retail contract.

Condition 10 - Undercharging and Overcharging

Note: Condition 10 does not apply to large customers of the exempt person.

1. Where an exempt customer has been undercharged, an exempt person can recover the amount undercharged subject to the following:
 - a. where the undercharging was not the result of the exempt customer's fault or unlawful act or omission, the exempt person is limited to recovering the amount undercharged in the 9 months before the date on which the customer is notified of the undercharging
 - b. the exempt person cannot charge interest on the undercharged amount
 - c. the exempt person must offer the exempt customer time to pay the undercharged amount by instalments, over a period nominated by the customer (up to 12 months, but no longer than the period of the undercharging).
2. Where an exempt customer has been overcharged, the exempt person must inform the customer within 10 business days after becoming aware of the overcharging and repay the amount overcharged subject to the following:
 - a. where the amount overcharged is \$25 or more, the exempt person must refund the amount to the exempt customer if requested, or if no such request is made, credit the amount to the exempt customer's next bill. Where the exempt customer no longer purchases energy from the exempt person, the exempt person must use best endeavours to refund the amount within 10 business days

² A 'large' customer is a customer that consumes 100 MWh or more of electricity per annum.

³ The fees and charges allowable under a standard retail contract are governed by Division 6 of the National Energy Retail Rules (which sets out the requirements for charging a security deposit under a standard retail contract) and may also be governed by jurisdictional legislation.

- b. where the amount overcharged is less than \$25, the exempt person must credit that amount to the exempt customer's next bill. Where the exempt customer no longer purchases energy from the exempt person, the exempt person must use best endeavours to refund the amount within 10 business days
- c. no interest is payable on the overcharged amount
- d. where the overcharging was the result of the exempt customer's fault or unlawful act or omission, the exempt person is limited to repaying the amount overcharged in the 12 months before the date on which the error was discovered.

Condition 11 - Payment difficulties and de-energisation or disconnection of premises

Note: Condition 11 does not apply to large customers of the exempt person.

1. Where an exempt customer informs the exempt person that they are unable to pay energy bills due to financial difficulty, the exempt person must:
 - a. offer the exempt customer a payment plan (subject to condition 14), and
 - b. direct the exempt customer to the Australian government energy efficiency website or another information resource with energy efficiency advice, and
 - c. ensure that the exempt customer is aware of relevant government or non-government energy rebates, concessions and relief schemes, and
 - d. not charge the exempt customer a late payment fee, and
 - e. not charge the exempt customer a security deposit.
2. Subject to Condition 12, the exempt person must not proceed with disconnection or cessation of energy supply to an exempt customer unless the following requirements have been met:
 - a. the exempt customer has requested disconnection, or
 - b. continuity of supply to the premises would be unsafe, or
 - c. the exempt customer's tenancy/residency/agreement has ended and the exempt customer is vacating the premises, or
 - d. the exempt customer has not paid a bill by the pay-by date, and has agreed to a payment plan, or having agreed to a payment plan has failed to adhere to the terms of a payment plan, and:
 - i. following non-payment by the pay-by date, the exempt person has given the exempt customer a reminder notice requesting payment by a date at least 6 business days from the date of issue of the reminder notice, and
 - ii. following non-payment by the date specified in the reminder notice, the exempt person has given the exempt customer a disconnection warning notice informing the exempt customer that disconnection may occur if payment of the outstanding bill is not made by a date at least 6 business days from the date of issue of the warning notice, and

- iii. the exempt person has, after issuing the disconnection warning notice, used its best endeavours to contact the customer in person or by telephone in connection with the failure to pay, and
 - iv. the exempt customer has, by the date specified in the disconnection warning notice, refused or failed to take any reasonable action towards settling the debt.
- 3. A reminder warning issued pursuant to condition 11(2)(d)(i) must:
 - a. state the date of its issue, and
 - b. state the date on which the reminder notice period ends, and
 - c. include details of the exempt person retailer's telephone number for complaints and disputes.
- 4. A disconnection warning notice issued pursuant to condition 11(2)(d)(ii) must:
 - a. state the date of its issue, and
 - b. state the date on which the disconnection warning period ends, and
 - c. inform the customer of applicable re-connection procedures and (if applicable) that a charge will be imposed for reconnection, and
 - d. include details (where applicable) of the existence and operation of the energy ombudsman, including contact details, and
 - e. include contact details for the exempt seller.
- 5. Where an exempt customer is disconnected in accordance with paragraph 2(b) of this condition, the exempt person must use its best endeavours to notify the exempt customer in person or by telephone prior to the disconnection, and must arrange for reconnection of the premises as soon as practicable.
- 6. This condition does not apply where state legislation sets out the process and requirements for the disconnection or cessation of energy supply by the exempt person on the basis that they are a landlord, body corporate or similar.
- 7. The condition does not apply to interruptions under conditions 19 and 20.

Condition 12 - When de-energisation or disconnection is prohibited

Note: Condition 12 does not apply to large customers of the exempt person.

- 1. The exempt person must not disconnect or cease energy supply to an exempt customer's premises where:
 - a. an application has been made by or on behalf of the exempt customer for assistance to an organisation responsible for a rebate, concession or relief available under any government or non-government funded energy charge rebate, concession or relief scheme and a decision on the application has not been made, or

- b. the exempt customer has made a complaint directly related to the proposed reason for disconnection or de-energisation to the exempt person, the energy ombudsman or another relevant external dispute resolution body and the complaint remains unresolved, or
 - c. the disconnection or de-energisation would occur on:
 - i. a business day before 8am or after 3pm
 - ii. a Friday or the day before a public holiday
 - iii. a weekend or a public holiday
 - iv. the days between 20 December and 31 December (inclusive) in any year.
2. This condition does not apply where the exempt customer has requested disconnection.
 3. This condition does not apply where continuity of supply to the premises would be unsafe.
 4. This condition does not apply where the energy supply agreement between the exempt person and the exempt customer has been terminated.

Condition 13 - Reconnection or re-energisation

1. Where an exempt customer is disconnected in accordance with conditions 11 and 12 and the customer makes a request for reconnection, the exempt person must reconnect the premises as soon as a request for reconnection is made. A request for reconnection may be made ten business days after disconnection, or as soon as the matter that led to the disconnection is rectified, and
 - a. any charges for re-energisation or reconnection are paid, and
 - b. if the customer still has outstanding amounts owed under the exempt customer's energy account, the customer agrees to enter into a payment plan with the exempt seller.^{4 5}
2. Subject to condition 13(1), the exempt person must reconnect the premises (or, where required, arrange with the distributor to reconnect the premises) as soon as practicable, and no later than two business days from when the request was made.
3. Subject to condition 13(1), the exempt person cannot refuse to supply an exempt customer on the grounds that they owe outstanding amounts on their energy account.

⁴ The requirement for exempt customers to wait 10 days before requesting reconnection does not preclude an exempt seller from reconnecting prior to this date where it is directed to do so under jurisdictional legislation.

⁵ The AER recommends that exempt sellers consider the AER Sustainable Payment Plans Framework when agreeing a payment plan with an exempt customer. The framework can be found at <https://www.aer.gov.au/retail-markets/retail-guidelines-reviews/aer-sustainable-payment-plans-framework>.

Condition 14 - Payment plans

Note: Condition 14.1 does not apply to large customers of the exempt person.

1. The exempt person must offer flexible energy payment options to an exempt customer who has identified themselves as being in financial difficulty. Flexible payment options may include arrangements for a payment plan.
2. In establishing a payment plan the exempt person must have regard to:
 - a. the exempt customer's capacity to pay, and
 - b. any outstanding amounts owed by the exempt customer, and
 - c. the exempt customer's expected energy consumption needs over the following 12 month period or the duration of their tenancy/agreement if the tenancy/agreement is less than 12 months.
3. An exempt person who offers a payment plan to an exempt customer under this condition must inform the exempt customer of:
 - a. the duration of the plan, and
 - b. the amount of each instalment payable under the plan, the frequency of instalments and the date by which each instalment must be paid.
4. This condition does not apply where the exempt customer has:
 - a. had two payment plans cancelled by the exempt person in previous 12 months due to non-payment, or
 - b. been convicted of an offence involving illegal use of energy in the previous two years.

Condition 15 - Concessions and rebates

1. Where an exempt customer is eligible to receive a government or non-government energy rebate, concession or assistance under a relief scheme, the exempt person must not hinder an exempt customer's attempts to establish eligibility.
2. If the government or non-government energy rebate, concession or assistance under a relief scheme can only be claimed by the exempt person on behalf of the eligible exempt customer, then, assuming there is no legal impediment, the exempt person must make that claim and, if successful, must apply the rebate, concession or assistance to the exempt customer's bill.

Condition 16 - Choice of retailer

Note: Condition 16 does not apply to electricity customers

1. Where an exempt customer is able to purchase energy from a retailer of their choice, the exempt person must not do anything to discourage or prevent them from exercising this choice, whether by:
 - a. requiring the exempt customer to waive their ability to choose a retailer
 - b. unreasonably hindering their efforts to find another retailer, or

- c. unreasonably hindering any metering or network changes required to enable choice of retailer.

Condition 17 - Contact details

Note: Condition 17 does not apply to large customers of the exempt person.

1. The exempt person must provide a means of contact for account inquiries and complaints that can be readily accessed by exempt customers. Where a telephone number is provided, the charge for this call must be no more than the cost of a local call.

Condition 18 - Dispute resolution

Note: Condition 18 does not apply to large customers of the exempt person.

1. An exempt person must develop and make a set of procedures detailing the exempt person's procedures for handling complaints and disputes, and those procedures must be provided to exempt customers in accordance with condition 2(1)(d)(i).
2. The procedures must be consistent with the current Australian Standard AS/NZS Guidelines for complaints management in organisations as amended and updated from time to time.
3. In the event of a complaint or dispute concerning the sale of energy to an exempt customer, and in the absence of a determination of the relevant tenancy tribunal if the customer is a tenant, the exempt person must:
 - a. deal with the complaint or dispute in accordance with the exempt person's procedures for handling complaints and disputes, and
 - b. make reasonable endeavours to resolve the dispute, and
 - c. advise the exempt customer:
 - i. of any right that the exempt customer has to access an energy ombudsman (if applicable), including to lodge a complaint or for free and independent information and advice, or any other external dispute resolution body in the state where the exempt customer is located, and
 - ii. of the telephone number and other contact details of the energy ombudsman (if applicable).

Condition 19 - Planned interruptions to supply

Note: Condition 19 does not apply to large customers of the exempt person.

1. For planned interruptions, the exempt person must notify each affected exempt customer at least two business days before the date of the interruption.
2. The notification must:
 - a. specify the expected date, time and duration of the interruption, and
 - b. include a telephone number for enquiries (the charge for which is no more than the cost of a local call), and

- c. include a statement that any enquiries regarding planned interruptions are to be directed to the exempt seller.
3. The exempt person must use its best endeavours to restore the exempt customer's supply as soon as possible.

Condition 20 - Unplanned interruptions to supply

Note: Condition 20 does not apply to large customers of the exempt person.

1. In the case of an unplanned interruption, the exempt person must:
 - a. within 30 minutes of being advised of the interruption, or otherwise as soon as practicable, make available information on the nature of the interruption and an estimate of the time when supply will be restored or when reliable information on restoration of supply will be available, and
 - b. if providing a telephone response that is automated, provide options for exempt customers who call the service to be directly connected to a telephone operator if required, and
 - c. use its best endeavours to restore supply to affected exempt customers as soon as possible.

Condition 21 – Continuity of supply

1. The exempt person must notify the exempt customers immediately if there is any likelihood that they will be unable to continue selling electricity.
2. If the exempt person is unable to continue selling electricity, and it is necessary for another person to take over the exempt person's electricity selling operations, the exempt person must participate in the development and implementation of arrangements to facilitate this.

Condition 22 - Termination of energy supply agreement

Note: Condition 22 does not apply to large customers of the exempt person.

1. An energy supply agreement between the exempt person and an exempt customer will terminate:
 - a. on a date agreed by the exempt person and exempt customer, or
 - b. five business days (or a different time agreed by the exempt person and exempt customer) from the date when the exempt customer gives the exempt person a termination notice, or
 - c. at the conclusion of the exempt customer's lease for, or occupancy of, the premises to which the energy is supplied, or
 - d. when the exempt customer starts receiving energy retail services from a different retailer or exempt person, or
 - e. when a different exempt customer moves in and starts receiving customer retail services for the premises, or

- f. at the end of a period of 10 business days commencing on the day the exempt customer's premises are disconnected, where the conditions for reconnection have not been met.
2. Termination of an arrangement to supply energy does not affect any rights or obligations that have already accrued under the agreement.

Condition 24 - Maintaining records

Note: Condition 24 does not apply to large customers of the exempt person.

1. The exempt person must maintain records of the following for each of its exempt customers:
 - a. the name of the exempt customer
 - b. the address of the exempt customer's premises
 - c. the identifier of the meter for the exempt customer's premises (if applicable)
 - d. the date that the customer account was created
 - e. copies of any bills issued for the previous 12 months
 - f. the date of the most recent meter read for the customer (if applicable)
 - g. the basis for determining any estimates of consumption for the purpose of billing where a meter read could not be obtained