

ATTACHMENT 9.1

PROCEDURE FOR ASSIGNING AND REASSIGNING CUSTOMERS TO TARIFFS

Contents

1. Introduction	3
2. Relevant rule requirements	3
3. Arrangements for the 2009-14 regulatory control period	3
4. Arrangements for the 2014-2019 regulatory control period	3
Assignment of existing customers to tariff classes at the commencement of the next regulatory control period	3
Assignment of new customers to a tariff class during the next regulatory control period.....	3
Reassignment of existing customers to another existing or a new tariff during the next regulatory control period..	4
Objections to proposed assignments and reassignments	4
System of assessment and review of the basis on which a customer is charged	4

1. Introduction

The current procedure for assigning and reassigning customers to tariffs for the current regulatory period is contained within Appendix A of the AER's decision for the 2009-14 regulatory control period.

Essential Energy proposes that the AER should use the same procedure for assigning and reassigning customers to tariffs as that used to assign and reassign customers to tariffs during the current regulatory control period.

2. Relevant rule requirements

For the regulatory control period, the National Electricity Rules (the Rules), Clause 6.12.1 (17) requires the AER to make:

“a decision on the procedures for assigning retail customers to tariff classes, or reassigning retail customers from one tariff class to another (including any applicable restrictions)”

3. Arrangements for the 2009-14 regulatory control period

As part of its decision for the 2009-14 regulatory control period the AER imposed procedures for Essential Energy to assign and reassign customers to tariff classes. These requirements were set out in detail in Appendix A to the AER's final decision.

4. Arrangements for the 2014-2019 regulatory control period

Essential Energy is proposing procedures for assigning or reassigning customers to tariff consistent with the AER's decision for the 2009-14 regulatory control period. This section sets out our proposed procedures.

Assignment of existing customers to tariff classes at the commencement of the next regulatory control period

1. Each customer who was a customer of Essential Energy immediately prior to 1 July 2014, and who continues to be a customer of a NSW DNSP as at 1 July 2014, will be taken to be “assigned” to the tariff class which Essential Energy was charging that customer immediately prior to 1 July 2014.

Assignment of new customers to a tariff class during the next regulatory control period

2. If, after 1 July 2014, Essential Energy becomes aware that a person will become a customer of Essential Energy, then the Essential Energy must determine the tariff class to which the new customer will be assigned.
3. In determining the tariff class to which a customer or potential customer will be assigned, or reassigned, in accordance with section 2 or 5, a Essential Energy must take into account one or more of the following factors:
 - (a) the nature and extent of the customer's usage
 - (b) the nature of the customer's connection to the network¹
 - (c) whether remotely-read interval metering or other similar metering technology has been installed at the customer's premises as a result of a regulatory obligation or requirement.
4. In addition to the requirements under section 3, Essential Energy, when assigning or reassigning a customer to a tariff class, must ensure the following:
 - (a) that customers with similar connection and usage profiles are treated equally
 - (b) that customers which have micro-generation facilities are not treated less favourably than customers with similar load profiles without such facilities.

¹ Essential Energy interprets 'connection' to include the installation of any technology capable of supporting time based tariffs.

Reassignment of existing customers to another existing or a new tariff during the next regulatory control period

5. If Essential Energy believes that an existing customer's load characteristics or connection characteristics (or both) have changed such that it is no longer appropriate for that customer to be assigned to the tariff class to which the customer is currently assigned or a customer no longer has the same or materially similar load or connection characteristics as other customers on the customer's existing tariff, then the Essential Energy may reassign that customer to another tariff class.

Objections to proposed assignments and reassignments

6. Essential Energy must notify the customer concerned in writing of the tariff class to which the customer has been assigned or reassigned by the DNSP, prior to the assignment or reassignment occurring. If Essential Energy does not know the identity of the customer then it must notify the customer's retailer instead. The notice must include advice that the customer may request further information from Essential Energy, may object to the proposed assignment or reassignment and, if the customer objects to the proposed assignment or reassignment and that objection is not resolved to the satisfaction of the customer, the customer may request the Energy & Water Ombudsman NSW (provided the customer is a small retail customer¹²⁵⁸) to decide which of the Essential Energy's tariff classes the customer should be assigned to. If the customer is not a small retail customer then the customer must be notified of the type of alternative dispute resolution which is available to the customer.
7. If, in response to a notice issued in accordance with section 6, Essential Energy receives a request for further information from a customer, Essential Energy must provide such information. If any of the information requested by the customer is confidential then Essential Energy is not required to provide that information to the customer.
8. If, in response to a notice issued in accordance with section 6, a customer makes an objection to Essential Energy about the proposed assignment or reassignment, Essential Energy must reconsider the proposed assignment or reassignment, taking into consideration the factors in sections 3 and 4 above, and notify the customer in writing of its decision and the reasons for that decision.
9. If a customer's objection to a tariff assignment or reassignment is upheld by the Energy & Water Ombudsman NSW or through some other form of alternative dispute resolution, then any adjustment which needs to be made to prices will be done by Essential Energy as part of the next annual review of prices.

System of assessment and review of the basis on which a customer is charged

10. Where the charging parameters for a particular tariff result in a basis of charge that varies according to the customer's usage or load profile, Essential Energy must set out in its pricing proposal a method of how it will review and assess the basis on which a customer is charged.
11. If the AER considers that the method provided under section 10 does not provide for an effective system of assessment and review of the basis on which a customer is charged, the AER may request additional information or request that Essential Energy revise and resubmit a revised method.
12. If the AER considers the method provided in accordance with section 10 is reasonable it will approve that method by notice in writing to Essential Energy.