

Level 35, The Tower
360 Elizabeth Street
Melbourne Central
Melbourne Vic 3000

Our Ref: D16/67232
Contact Officer: Fiona Cameron
Contact Phone: (08) 8213 3434

GPO Box 520
Melbourne Vic 3001

tel: (03) 9290 1444
fax: (03) 9290 1457

www.aer.gov.au

3 June 2016

Mr Glenn Anderson
Chief Advisor: Energy, Bauxite and Alumina
RTA Weipa Pty Ltd
123 Albert Street
Brisbane QLD 4000

By email: Glenn.Anderson@riotinto.com

Dear Mr Anderson

RTA Weipa Pty Ltd - application for individual exemption

I refer to your application of 18 March 2016 for individual exemption under the National Energy Retail Law (Retail Law) for RTA Weipa Pty Ltd (RTAW) to sell electricity to the township of Weipa.

I am writing to inform you that the Australian Energy Regulator (AER) has considered RTAW's application for individual exemption and decided, on 2 June 2016, to grant the individual exemptions in accordance with s. 110 of the Retail Law.

In accordance with the National Energy Retail Rules, the AER has published the application on its website, and sought submissions from interested parties.¹ The AER did not receive any submissions in response to RTAW's application.

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.

¹ r. 155(3) and 156, National Energy Retail Rules (Retail Rules).

In making its decision, the AER is guided by the objective of the Retail Law,² the exempt seller factors,³ the customer related factors,⁴ and the assessment approach outlined in the AER (Retail) Exempt Selling Guideline.

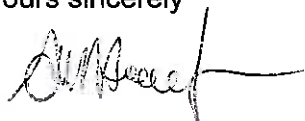
The AER is satisfied that RTAW should be exempt from the requirement to hold a national retailer authorisation for the sale of electricity to the Weipa township, having regard to the considerations outlined above.

If RTAW wishes to change the way it sells electricity it should contact the AER as it may need to apply for an authorisation or another exemption. If these activities are not covered by this exemption, RTAW may be in breach of section 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 Appendix A to the attached Instruments of Exemption. RTAW must advise the AER in writing by **4 July 2016** whether it accepts these conditions.

If you have any further queries, or would like to discuss this further, please contact Fiona Cameron on (08) 8213 3434.

Yours sincerely



Sarah Proudfoot
General Manager, Retail Markets

² 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)).

³ s. 115, Retail Law.

⁴ s. 116, Retail Law.

Schedule 1: Instrument of Exemption

INDIVIDUAL EXEMPTION FROM THE REQUIREMENT TO HOLD A RETAILER AUTHORISATION

DATE OF ISSUE: 2 June 2016

FORM OF ENERGY: Electricity

Pursuant to section 110 of the National Energy Retail Law, the Australian Energy Regulator (AER) on 2 June 2016 decided to grant RTA Weipa Pty Ltd (ABN 54 137 266 285) 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 in Appendix A. This exemption applies to the sale of electricity to the township of Weipa, Queensland, 4874.

Appendix A

Exemption conditions

Condition 1 – Obligation to supply

- 1 The exempt person cannot refuse to sell electricity to a small customer who is within the geographical area as described by Appendix A to this exemption, except in accordance with relevant disconnection provisions.
- 2 The exempt person cannot refuse to sell electricity to a large customer who:
 - a. is within the geographical area as described by Appendix A to this exemption, and
 - b. was purchasing electricity from the exempt person as of 1 July 2016, and
 - c. has not significantly altered their annual electricity load since 1 July 2016, except in accordance with relevant disconnection provisions.
- 3 Subject to condition 10, the exempt person can refuse to sell electricity to an exempt customer where:
 - a. the exempt customer owes outstanding amounts under a previous electricity account (with the exception of where a customer has been identified as being in financial difficulty)
 - b. the exempt customer's premises have been disconnected by the exempt person due to an act or omission of the exempt customer, other than the failure to pay a bill, and the exempt customer has not within 10 business days of disconnection rectified the matter that gave rise to the disconnection. The exempt person must reconnect the premises and offer to sell electricity once the matter is rectified.
- 4 The exempt person is not obligated to sell electricity, or provide or facilitate new connections, to customers outside of the geographical area as described by Appendix A.

Condition 2 - Information provision

- 1 The exempt person must advise exempt customers, in writing, at the start of their tenancy/residency/agreement of the following:
 - a. 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
 - b. the exempt customer's rights in relation to dispute resolution including:
 - i. the exempt person's procedures for handling disputes and complaints, and

- ii. any right that the exempt customer has to access the electricity Ombudsman scheme or any other relevant external dispute resolution body in the state or territory in which the exempt customer is located
 - c. the conditions applicable to the exemption that the exempt person is operating under
 - d. the availability of relevant government or non-government electricity rebates, concessions and relief schemes
 - e. the forms of assistance available if the exempt customer is unable to pay electricity bills due to financial difficulty, as well as the process the exempt customer should follow to seek these forms of assistance
 - f. the electricity tariffs and all associated fees and charges that will apply to the exempt customer in relation to the sale of electricity
 - g. the flexible payment options that are available to the exempt customer in relation to the sale of electricity, such as arrangements for payment by periodic instalments (bill smoothing)
 - h. contact numbers in the event of an electricity fault or emergency.
- 3 Within one month of the grant of this exemption, the exempt person must provide all exempt customers with the information set out in paragraph 1 by publishing a notice in a newspaper circulating generally in the township of Weipa.
 - 4 The information set out in paragraph 1 of this condition must also be provided by the exempt person at any time on request by the exempt customer.

Condition 3 - Billing and payment arrangements

- 1 The exempt person must ensure that bills are issued to each exempt customer at least once every three months. Bills may be estimated in accordance with condition 4.
- 2 The exempt person must offer at least two payment methods to an exempt customer. However, if the 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 The exempt person must offer flexible electricity payment options to an exempt customer who is identified as being in financial difficulty. Flexible payment

options may include arrangements for payment by periodic instalments having regard to:

- a. the customer's capacity to pay,
- b. any arrears owing by the customer, and
- c. the customer's expected electricity consumption needs over the following 12 month period, or the duration of their tenancy/residency/agreement if the tenancy/residency/agreement is less than 12 months.

4 The requirements in paragraph 3 do not apply where the exempt customer has:

- a. had two flexible payment arrangements cancelled by the exempt person in the previous 12 months due to non-payment, or
- b. been convicted of an offence involving illegal use of electricity in the previous two years.

5 The exempt person must include the following particulars in a bill for an exempt customer:

- a. the name of the exempt customer
- b. the address of the exempt customer's premises
- c. date that the account was issued
- d. the identifier of the meter for the exempt customer's premises
- e. the pay-by date for the bill
- f. date of the current meter reading or estimate, as applicable
- g. the dates to which the meter reading or estimate applies (billing period)
- h. current meter reading or estimate in kilowatt hours. Where the amount is an estimate, this must be clearly stated on the bill
- i. previous meter reading or estimate in kilowatt hours. Where the amount is an estimate, this must be clearly stated on the bill
- j. the amount of electricity consumed, or estimated to be consumed, in the meter reading period, shown in kilowatt hours
- k. tariffs, fees and charges applicable to the exempt customer
- l. the basis on which tariffs, fees and charges are calculated
- m. any amount deducted, credited or received under a government or non-government funded electricity charge rebate, concession or relief scheme or under a payment arrangement
- n. details of the available payment methods
- o. a telephone number for account inquiries and complaints.

Condition 4 - 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 may base an exempt customer's bill on an estimation of the exempt customer's consumption of electricity where the exempt person is not able to reasonably or reliably base the bill on an actual meter reading.
- 3 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 electricity by a comparable customer over the corresponding period.
- 4 If a customer's bill is based on an estimation, this must be clearly stated on the exempt customer's bill.
- 5 Where an exempt customer has prevented access to a meter for the purpose of reading that meter, and subsequently requests the exempt seller to replace an estimated bill with a bill based on an actual meter reading, the exempt seller must comply with that request but may pass through to the exempt customer any costs it incurs in doing so.

Condition 5 - Pay-by date

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 6 - Receipts

- 1 The exempt person must provide each exempt customer with a receipt for any amount paid for electricity, except where payment has been made by:
 - a. direct debit, or
 - b. credit card over the phone and the exempt customer is provided with a receipt number.
- 2 The exempt person must provide the exempt customer with a separate receipt if a payment for electricity was made together with a rent payment but has not been separately identified on the rent receipt.

Condition 7 – Charges for late and dishonoured payments

- 1 The exempt person must limit any fee charged to an exempt customer for late payment to a recovery of reasonably incurred costs by the exempt person as a

result of the exempt customer's late payment. (Customers who are identified as experiencing financial difficulties must not be charged a late payment fee).⁵

- 2 The exempt person must not charge fees for the sending of payment reminder or disconnection notices.

Condition 8 – Undercharging and overcharging

- 1 Where an exempt customer has been undercharged, the 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 exempt 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 electricity from the exempt person, the exempt person must use best endeavours to refund the amount within 10 business days
 - b. where the amount overcharged is less than \$25, the exempt person must credit that amount to the exempt customer's next bill
 - 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 9 - Payment difficulties and de-energisation

- 1 Where an exempt customer is identified as being unable to pay electricity bills due to financial difficulty, the exempt person must:

⁵ For clarification, a late payment fee can only be charged where it has not been excluded by jurisdictional legislation

- a. direct the exempt customer to the Australian government electricity efficiency website or another information resource with electricity efficiency advice, and
 - b. ensure that the exempt customer is aware of relevant government or non-government electricity rebates, concessions and relief schemes, and
 - c. not charge the exempt customer a late payment fee, and
 - d. not charge the exempt customer a security deposit.
- 2 Subject to Condition 10, the exempt person must not proceed with disconnection or cessation of electricity 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 or has not adhered 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, in the case of residential exempt customers, has offered the exempt customer more flexible payment terms to pay any amount outstanding and has restated the forms of assistance available if the non-payment is due to financial difficulty, and
 - ii. following non-payment by the date specified in the reminder notice, or, in the case of residential customers, the establishment of more flexible payment terms, 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 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.

- 4 This condition does not apply where state or territory tenancy legislation sets out the process and requirements for the disconnection or cessation of electricity supply by the exempt person on the basis that they are a landlord.

Condition 10 - When disconnection or de-energisation is prohibited

- 1 The exempt person must not disconnect or cease electricity supply to an exempt customer's premises where:
 - a. a person residing at the exempt customer's premises requires life support equipment that depends on electricity for its operation, or
 - b. 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 electricity charge rebate, concession or relief scheme and a decision on the application has not been made, or
 - c. 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
 - d. the disconnection or de-energisation would occur on:
 - i. a business day before 8am or after 3pm, or
 - ii. a Friday or the day before a public holiday, or
 - iii. a weekend or a public holiday, or
 - 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 exempt customer's premises would be unsafe.
- 4 This condition does not apply where there is a planned or unplanned interruption to supply.
- 5 This condition does not apply where the electricity supply agreement between the exempt person and exempt customer has been terminated.

Condition 11 - Reconnection or re-energisation

- 1 Where the exempt person has arranged for the disconnection of an exempt customer's premises and the exempt customer has within 10 business days of the disconnection:

- a. if relevant, rectified the matter that led to the disconnection, and
- b. made a request for reconnection, and
- c. paid any charge for reconnection,

the exempt person must reconnect the premises (or, where required, arrange with the network operator to reconnect the premises) as soon as practicable, and no later than two days from when the request was made.

Condition 12 – Planned interruption to supply

1. In the case of a planned interruption, an exempt seller must notify each affected exempt customer by any appropriate means of the interruption at least 4 business days before the date of the interruption.
2. The notification must:
 - a. specify the expected date, time and duration of the interruption
 - b. include a telephone number for enquiries (the charge for which is no more than the cost of a local call)
 - c. include a statement that any enquiries regarding planned interruptions are to be directed to the exempt seller.
3. The exempt seller must use its best endeavours to restore the exempt customer's supply as soon as possible.

Condition 13 – Unplanned interruptions to supply

1. In the case of an unplanned interruption, the exempt seller must:
 - a. as soon as practicable, make available, by way of a 24 hour telephone service (the charge for which is no more than the cost of a local call), 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. use its best endeavours to restore supply to affected exempt customers as soon as possible.

Condition 14 - Contact details

- 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.
- 2 The exempt person must provide a 24 hour emergency telephone contact number.⁶

⁶ For clarity, reference to the provision of an emergency telephone contact number will be satisfied by the provision of a manned mobile telephone service.

Condition 15 - Dispute resolution

- 1 In the event of a dispute concerning the sale of electricity 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. make reasonable endeavours to resolve the dispute, and
 - b. advise the exempt customer of any right that the exempt customer has to access the electricity Ombudsman scheme or any other relevant external dispute resolution body in the state or territory in which the exempt customer is located, if applicable.

Condition 16 - Life support customers

- 1 The exempt person must maintain records of any exempt customers who have provided them with confirmation from a registered medical practitioner that a person residing at the exempt customer's premises requires life support equipment that depends on electricity for its operation on their premises.
- 2 The exempt person must, at the time of registering the premises as having life support, provide the exempt customer with:
 - a. general advice that there may be a planned or unplanned interruption to the supply at the address
 - b. information to assist the exempt customer to prepare a plan of action in case of an unplanned interruption
 - c. an emergency telephone contact number (the charge of which is no more than the cost of a local call).

Condition 17 - 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 18 – Termination of electricity supply agreement

- 1 An electricity 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 electricity is supplied, or
 - d. when the exempt customer starts receiving electricity retail services from a different retailer or exempt person, or
 - e. when a different exempt customer 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 electricity does not affect any rights or obligations that have already accrued under the agreement.

Condition 19 - Maintaining records

- 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.

Maps of the geographical area covered by the exemption





