



25 January 2017

Ms Sarah Proudfoot
General Manager, Retail Markets
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

By e-mail: retailcompliance@aer.gov.au

Dear Ms Proudfoot

Review of AER compliance procedures and guidelines 2016/17

Origin Energy (Origin) welcomes this opportunity to comment on the Australian Energy Regulator's (AER) review of its compliance procedures and guidelines. Origin notes changes to the National Energy Retail Rules and National Electricity Rules in relation to competition in metering and related services and customer access to data. We agree that this review is timely given these changes.

In general, Origin supports the proposed amendments to the guidelines in relation to reporting of planned retailer interruptions (due to the replacement or deployment of an advanced metering) and aligning reporting with the equivalent requirements previously assigned only to authorised distributors.

We have some concerns about changes to the reporting of Immediately Reportable breaches and how meeting the requirements of the guideline would be met in practice.

Origin understands that the requirements for an Immediately Reportable breach (previously a type 1 breach) must be made within two business days using the AER's template and be signed by the Chief Executive Officer or the Managing Director. As the AER would appreciate, it will be difficult to confirm sufficient details about the breach and progress the template through general management to the CEO or MD in such a truncated timeframe.

As an alternative, Origin would support the requirement that authorised retailers provide initial notification within two business days of identifying an immediately reportable breach. CEO or MD endorsement could then occur when a retailer's quarterly reports are signed off.

In relation to the proposed inclusion of additional wrongful disconnection categories under sub-rules 116(1), (b), (c), (e), (f), (g) and (i) as Immediately Reportable breaches, Origin supports their continued exclusion in line with the previous rationale for doing so – and especially in light of the proposed administrative burden discussed above.

Similarly, in the alternative and consistent with our previously stated views in relation to report sign off, Origin believes that retailers should again provide a notification to the AER within two business days,

but exclude the requirement for CEO or MD approval until required for the quarterly or six-monthly report.¹

We would welcome further discussion with the AER on potential alternatives in relation to the approach and format of Immediately Reportable breaches as discussed above. In the first instance, please contact Ben Hercus (Retail Compliance Manager) on (03) 8665 7517.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'K. Robertson'.

Keith Robertson
Manager Wholesale and Retail Regulatory Policy
(02) 9503 5674– Keith.Robertson@Originenergy.com.au

¹ In the draft guidelines, Origin notes that section 116(1)(a)-(i) of the NERR are now to be considered an immediate breach.