



Australian Power and Gas Pty Limited (ABN 26 118 609 813)

AGL Sales Pty Limited (ABN 88 090 538 337)

1. Background

Australian Power and Gas Pty Limited (**APG**) and AGL Sales Pty Limited (**AGL**), as holders of electricity and gas retail licences in Victoria, agree to enter into an Administrative Undertaking with the Essential Services Commission (**Commission**). AGL enters into this Administrative Undertaking on behalf of APG, as a related body corporate under AGL Energy Limited.

During the periods set out below, APG and AGL issued disconnection warning notices to some customers which did not comply with clause 13.1 of the Energy Retail Code, version 10.¹ The Commission considers that these notices did not comply with the terms and conditions of customers' contracts. Specifically:

- 1.1. During 31 August 2011 to 24 January 2013, AGL issued 26,394 disconnection warning notices to deemed contract customers which stated a pay by date which was one business day earlier than specified in the Energy Retail Code.
- 1.2. During 20 December 2012 to 23 July 2013, AGL issued 35,910 disconnection warning notices to some customers which stated a 'disconnection warning period' that was less than 7 business days after the date of receipt of the disconnection warning notice.
- 1.3. During June 2008 to 16 January 2013, APG issued 293,991 disconnection warning notices to some customers which stated a 'disconnection warning period' that was less than 7 business days after the date of receipt of the disconnection warning notice. Customers other than deemed contract customers received two disconnection warning notices prior to disconnection.

together, **Defective Notices**.
- 1.4. Despite the Defective Notices, AGL and APG's systems allowed Relevant Customers to pay their overdue bill until or beyond the minimum timeframe under the Energy Retail Code.
- 1.5. Some customers had their energy supply disconnected after receiving a Defective Notice (**Relevant Customers**).
- 1.6. Despite the Defective Notices, AGL and APG did not disconnect any Relevant Customer sooner than permitted under the Energy Retail Code.
- 1.7. Relevant Customers may have an entitlement to claim a monetary payment. This Administrative Undertaking sets out the process by which AGL and APG will notify Relevant Customers of the potential entitlement and apply any relevant monetary payments.

¹ And equivalent provisions in prior versions of the Energy Retail Code, as applicable during the Relevant Period.

2. Administrative Undertaking

- 2.1. AGL and APG (together) will:
 - 2.1.1. Publish a notice, the content having the prior approval of the Commission in a daily newspaper generally circulating in Victoria, by 12 October 2015; and
 - 2.1.2. Publish a notice on the AGL website, the content having the prior approval of the Commission, by 12 October 2015, for period of 14 days; and
 - 2.1.3. For any former Relevant Customer that can be accurately identified in AGL's systems, send letters to such customers commencing 12 October 2015, over a period of three months; and
 - 2.1.4. For any current Relevant Customer, apply a statement to such customers' bills on the first bill sent to each customer from 12 October 2015;
advising that:
 - 2.1.5. Relevant Customers may have an entitlement to claim a monetary payment arising from their disconnection; and
 - 2.1.6. Relevant Customers are invited to contact AGL to discuss their potential entitlement.
- 2.2. AGL will endeavour to reach an agreement with any eligible Relevant Customer who contacts AGL under the circumstances outlined in clause 2.1.6.
 - 2.2.1. AGL will then process any relevant monetary payment within 5 business days of the eligible Relevant Customer contacting AGL under the circumstances outlined in clause 2.1.6.
- 2.3. AGL will advise any Relevant Customer who contacts AGL under the circumstances outlined in clause 2.1.6 of their right to take the matter to the Energy and Water Ombudsman of Victoria (**EWOV**), if agreement cannot be reached.
- 2.4. AGL will create a dedicated telephone number for Relevant Customers to contact AGL under the circumstances outlined in clause 2.1.6. This telephone number will be available from the date of the first publication under clause 2.1 and cease operating 30 days after the last correspondence is issued under clause 2.1.
- 2.5. By 30 September 2015, AGL will provide the Commission with written assurances of how its processes prevent similar non-compliances from re-occurring and its record keeping processes.
- 2.6. AGL will provide the Commission with monthly reports on the progress under clause 2. Monthly reports will be provided to the Commission at the end of each calendar month covering activity and progress during the preceding calendar month, with the final report submitted by end of February 2016.
- 2.7. The reports will cover the number of customers who:
 - 2.7.1. Contact AGL under the circumstances outlined in clause 2.1.6;
 - 2.7.2. Reach an agreement with AGL under clause 2.2; and
 - 2.7.3. Subsequently take their matter to EWOV.