

13/02/2021

RM/21/2634

Dear retailers and distributors,

Further advice on disconnections during stage four restrictions

As you would be aware, the Victorian government has announced stage four restrictions applying to the state from 11.59 pm Friday 12 February 2021 to 11.59 pm Wednesday 17 February 2021. The restrictions include stay at home requirements limiting the reasons people may leave their home.

Consistent with its previous advice, the commission considers that the stay at home requirements mean that disconnection of energy supply may potentially endanger the health and safety of a person.

This letter sets out the commission's expectations for the period the stay at home requirements (as implemented under the stage four restrictions) are in place, namely until 11.59 pm on Wednesday, 17 February 2021 (unless extended). Following this, the commission's advice provided to retailers dated 29 October 2020 will again apply (over the period to 31 March 2021), unless we notify otherwise.

The expectations in this advice will be familiar to retailers and distributors, as they applied under the commission's advice dated 7 August 2020 (and running to 31 October 2020).

Helping customers in financial difficulty

The commission expects customers who can afford to pay their energy bills to do so.

We acknowledge the positive steps many energy businesses are taking to keep customers connected. Energy retailers must work with customers to manage their debt and avoid disconnection, consistent with the payment difficulty framework.

The payment difficulty framework sets out minimum standards of assistance to which residential customers anticipating or facing payment difficulties are entitled, so that disconnection of a residential customer for not paying a bill is a measure of last resort.

The commission's August 2020 'Supporting energy customers through the coronavirus pandemic: Final decision' amended the payment difficulty framework to provide additional support to residential and small business customers during the coronavirus pandemic. This includes a requirement (currently applying to 31 March 2021) for retailers to assist small businesses that are experiencing financial stress. Small business customers receiving this assistance are prohibited from being disconnected from their electricity or gas services.

Keeping customers connected

To protect customers and promote consistency across the sector at this time, the commission expects distributors and retailers to adopt the following processes with respect to disconnecting residential customers, small business customers and large customers on-selling energy to residential or small business customers (for example, in residential parks or retirement villages).

The commission expects that while the current stay at home requirements remain in place:

Electricity and gas retailers:

- Take steps to satisfy themselves that the disconnection of a customer's supply address would not in any way immediately endanger the health or safety of any person before raising a service order for disconnection.
- Where they are able to obtain confirmation from the customer that the health and safety of any person would not be immediately endangered, the retailer will notify the distributor that confirmation has been obtained.

Electricity and gas distributors:

- Take steps to contact a customer before actioning any disconnection service request, where a retailer has raised a disconnection service request and has not obtained confirmation from a customer that any person's health or safety would not be immediately endangered (for instance because the retailer's attempts at contact have not been successful).
- Further, in the absence of being able to obtain confirmation that any person's health or safety would not be immediately endangered, not proceed with disconnection.

The commission expects that retailers and distributors will maintain adequate records of that customer confirmation.

A retailer or distributor who becomes aware that a residential customer is isolating or quarantining must not take steps to disconnect the customer.

Reconnections

In the event a residential or small business customer has not made any contact with a retailer or responded to any contact by a retailer and has been disconnected for non-payment, the retailer must process an order for reconnection immediately on request from the customer. Where a customer is reconnected, the retailer should waive disconnection, reconnection and any contract

break fees. In these circumstances, the distributor should also not charge any fees associated with the reconnection to retailers.

For disconnections of residential customers applied from 1 November 2020¹ for non-payment, and where there has been no contact received by the retailer from the residential customer after that disconnection, a retailer should attempt to contact the residential customer to discuss reconnection.

Further information

The commission continues to welcome the steps that energy businesses have taken to keep customers connected during the coronavirus pandemic and looks forward to your continued co-operation during these uncertain times. We will continue to monitor developments with respect to the coronavirus pandemic and the consequences for industry and consumers.

If you have any questions regarding this letter, please contact Dean Wickenton, Executive Director, Energy (Acting) at dean.wickenton@esc.vic.gov.au or at energyadmin@esc.vic.gov.au.



Kate Symons
Chairperson

¹ The date from which the commission's most recent advice (dated 29 October 2020) took effect.