

17 September 2009

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Thank you for the opportunity to comment on the *National Framework for the Connection of Retail Customers to Natural Gas Distribution Networks Draft Policy Position*.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

EWON has contributed comprehensive submissions on the National Energy Customer Framework (NECF) and will continue to monitor and respond to developments in this area, especially in relation to dispute resolution processes for customers.

For ease of reference we have adopted the same numbering as the Draft Policy Paper.

## *2. Introduction*

The Draft Policy paper outlines a range of primary objectives for the Gas Connections Framework. EWON supports the objectives of harmonisation of the jurisdictional arrangements governing gas connection processes and connection charges for customers; the simplification of the connection process for customers as well as ensuring commonality with the related electricity connection processes. EWON strongly supports a consistent approach which simplifies matters for customers and operators alike, including those who operate across jurisdictions.

## *3. Relationships between the Gas Connection Framework and other National Energy Reforms*

EWON notes that the NECF will establish a national framework for the supply and sale of energy to customers, and the First Exposure Draft confirmed that there will be a direct distributor-customer contractual relationship in both electricity and gas sectors. EWON notes that for NSW this would be a new arrangement for Gas Distributors. EWON supports this development, which would bring gas into line with electricity, where there have been standard customer connection contracts for many years.

#### *4.3 Basic and additional standardised connection services approved by the AER*

EWON supports the proposal that the specific terms of the Basic and Additional Standardised Connection Services should be submitted to the AER for approval. The fact that these terms, including information on time frames and charges, will then form a schedule to the distributor-customer contract will significantly improve the ability of customers to make informed choices about connection services. The provision of an itemised quote for minor variations will also greatly improve the transparency of the process for customers.

#### *5. Applying for a Basic or Additional Standardised Connection*

EWON supports the proposed streamlined process that allows a customer to apply directly to a distributor for connection to the gas network.

We note the proposed time frames for responding to customer requests for information, but it is not clear if there is intended to be any customer service payment to customers if these time frames are not met.

Similarly it is not clear if there are intended to be any incentives for the distributor to meet the timeframes for completion of the connection that will be contained in the schedule to the distributor-customer contract. While we note that timeframes can be changed by agreement, or where certain circumstances prevent them being met, if long delays occur without appropriate communication to the customer this would appear to be a breach of the terms of the contract.

EWON's experience of customer complaints about gas connections has indicated that delays can have a significant financial impact on customers, as it can delay occupation of a new property resulting in additional rental or other expenses.

#### *6. Contractual Arrangements for Basic and Additional Standardised Connections*

As noted above Gas connection contracts would be a new and welcome development for NSW. EWON provided some feedback on the original format of this contract that appeared in the 1<sup>st</sup> Exposure Draft of the NECF, and will further review any changes to this in the 2<sup>nd</sup> Exposure Draft in due course.

#### *8.4 Reimbursement Scheme for Previously Dedicated Assets*

The proposal for a reimbursement scheme to provide an equitable way to share the costs for extensions to distribution networks that are initially paid for and used by a single customer is a very welcome proposal. This is a much needed change, and brings gas into line with electricity in NSW. Since the IPART Determination in 2002 concerning capital contributions and the establishment of a reimbursement scheme, electricity customers have been able to access reimbursement of relevant connection costs.

### *9. Customer Dispute Resolution*

EWON is the approved independent industry dispute resolution scheme for NSW energy customers and a member of the Australian and New Zealand Energy and Water Ombudsman Network (ANZEWON). Specialist energy ombudsmen operate in all states to handle customer disputes, and ANZEWON members work closely to ensure consistent processes and approaches to dispute resolution where possible.

We note that the NECF lists the current approved schemes in each state and territory, and outlines various rights and obligations in relation to dispute resolution processes. It is our understanding that the 2<sup>nd</sup> Exposure Draft of the NECF will contain further details concerning dispute resolution processes and jurisdictional authorities and we will comment on these proposals as appropriate.

If you would like to discuss any of these matters further, please contact me or Emma Keene, Manager Policy & Projects on 02 8218 5225.

Yours sincerely



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