

18 October 2018

Mr Alex Kroon
A/Assistant Director
Utility Services Regulation
Economic Regulation Authority
Level 4, 469 Wellington Street
PERTH WA 6000

To be lodged online: www.erawa.com.au/consultation

Submission on the draft amended Financial Hardship Policy Guidelines – Electricity and Gas Licences

Dear Alex

Thank you for the opportunity to provide a submission on the draft amended Financial Hardship Policy Guidelines – Electricity and Gas Licences (Guidelines).

Kleenheat is broadly supportive of the proposed changes to the Guidelines which will place greater accountability on retailers to ensure their financial hardship policies and procedures are weighted towards customers in the community who depend on these services.

Our specific comments in relation to the draft Guidelines (marked up version) are detailed below:

1. **Implementation Date / Other Legislative Changes** – Could the ERA please provide details regarding when it expects to publish the final Guidelines and whether there will be a transitional period for retailers to amend their current policies and procedures? Further, could you please confirm what, if any, amendments will be made to the Compendium in respect of these Guidelines, the commencement date proposed for such amendments, and details of any applicable transitional period.
2. **Material Amendments (page 8 of the marked up Guidelines)** – Could the ERA provide further detail as to when the five business days commences in relation to submitting an amended Financial Hardship Policy to the ERA (clause 6.10(8) of the Compendium). The Guidelines state that it is 'within five business days of the amendment' but is this after the consultation period has closed and the retailer has a draft copy ready for review? It is also unclear what is driving the five business day requirement given this amendment isn't directed by the ERA.

3. **HUGS Process (page 19 of the marked up Guidelines)** – Kleenheat recognises that this is a change from the current process being followed by retailers. Could the ERA provide further clarity in the Guidelines regarding this new process. Currently a retailer cannot submit HUGS applications for certain customers, i.e ones who aren't on a concession. Kleenheat would like to understand the mechanisms that will change to enable retailers to submit all HUGS applications on behalf of their customers, where required.

4. **Instalment Plans (page 22 of the marked up Guidelines)** - Kleenheat would like to understand the basis of paragraph 4.10 in the Guidelines in relation to offering a customer who is experiencing payment difficulties more time to pay *and* an instalment plan. We note the word 'and' has replaced the word 'or'. Kleenheat's understanding is that by offering a customer an instalment plan, the customer has a longer time to pay their bill. It is unclear why a retailer would be offering this type of customer a longer time to pay in addition to an instalment plan.

Should you wish to discuss any points raised in this submission please contact Nina Telford on 9312 9482 or ntelford@kleenheat.com.au.

Yours sincerely,

Sarah York
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Wesfarmers Kleenheat Gas Pty Ltd