



COMMENT

On the Independent Competition and Consumer Commission's Draft Gas Network Boundary Code Variation.

**August
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INTRODUCTION

ACTCOSS acknowledges that modern day Canberra has been built on the traditional lands of the Ngunnawal people. We pay our respects to their elders and recognise the displacement and disadvantage they have suffered since European settlement. ACTCOSS celebrates the Ngunnawal's living culture and valuable contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage, and low-income citizens of the Territory. ACTCOSS is a member of the nationwide COSS network, made up of each of the state Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS's objectives are representation of people living with disadvantage, the promotion of equitable social policy, and the development of a professional, cohesive and effective community sector.

The membership of the Council includes the majority of community based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS receives funding from the Community Services Program (CSP) which is a program of the ACT Government.

THE PROPOSED VARIATION AND CONSUMER ISSUES.

The gas consumers that are of most interest to ACTCOSS are those people who are tenants in single dwellings and units. As non-landowners their rights are often overlooked in determining commercial arrangements.

While the proposed changes to the Gas Network Boundaries Code (the Code) do not appear controversial, they raise some issues in terms of activity in other parts of the national energy market. It is also unclear exactly what problems the changes will remedy.

In terms of the problems that have arisen out of the existing Code, the proposed changes have been put forward by the Distributor. ACTCOSS would be interested in whether the Regulator has been aware of these problems in the past and what type of problems have been caused by the current definition. In particular, ACTCOSS would be interested to know what effect boundary disputes may have had on residential consumers.

ACTCOSS is also concerned that the new Code change ignores the rapid onset of prepayment and smart metering, both of which are now available, if not widely used, in Australia. It does not appear clear from the proposed changes whether ACTEWAGL will retain metering control where a consumer is offered a smart meter by a retailer. From ACTCOSS' reading of the Code and the proposed change, anyone wishing to have a smart meter would need to come to an agreement under section 3(4) of the Code. In-house meters themselves would cause issues over the boundary to be observed. This could be cumbersome and problematic, as has been the case in using section 3(4) to deal with non-standard boundaries to date.

There is also a question of arbitration of the code, where parties are in dispute. For example, who would be the arbiter in a dispute over boundaries where a smart meter has been installed to replace the existing accumulation meter?

ACTCOSS also believes that there are implications in the change for the move to national energy markets. For example, is it envisaged that the national codes on metering will continue to see meters as a distribution asset? It would seem anomalous if electricity and gas metering were subject to differing regulation in the longer term.

DOMESTIC CONSUMERS AND THE GAS CODE

Regardless of the outcome of the variation, in practical terms it would be helpful for residential consumers if ACTEWAGL were to

mark in some fashion the physical location of the boundary at the appropriate point on each domestic supply line (including unit complexes). As all meters are manually read at this time, this could be easily done by the meter readers. Perhaps some form of weather-proof sticker that could mark the boundary in this fashion:

Boundary Marker
<<- ACTEWAGL <<II>> Lease holder ->>

This could be accompanied by some form of contact number for emergencies. Such a marker could stop some of the disputes caused by boundary confusion, particularly in rental properties where the tenants may not be aware of any demarcation.

The discussion of consumers and their understanding of regulations raises for ACTCOSS the continuing issue of expertise within ICRC on issues affecting low income households. We reiterate our earlier call* for the ICRC to provide itself with a framework for considering issues of disadvantage in the same way that issues of a technical or economic nature are considered. While understanding the ICRC does not believe it has capacity to provide that type of expertise, we continue to believe it would better inform decision making by the Commission.

ACTCOSS is pleased to have this opportunity to comment on the Gas Network Boundary Code proposed variation. It appears to have raised several questions, which we hope that the ICRC will be able to resolve and provide answers for in its final determination.

* Joint ACTCOSS/Care Financial Counselling/Consumer Law Centre letter dated 24 June 2004.