

10 March 2022

Licensing Team

Essential Services Commission

By email: licences@esc.vic.gov.au

Dear Sugi Sivarajan,

Re: Retail licence review

This letter responds to the letter from the Essential Service Commission (ESC) dated 31 January 2022 with the subject '**Variation of Sunset Power International Pty Ltd (trading as Delta Electricity)'s electricity retail licence**'

Delta Electricity (Delta) confirms its address is Suite 5.01, 580 George Street, Sydney NSW 2000 as outlined in Attachment A of the ESC's letter dated 31 January 2022.

Delta generally accepts the variation of its licence as proposed by the ESC, and would consent to the new licence on the condition that the ESC considers and addresses the following issues in relation to:

- notice to customers when changing terms or conditions; and
- withdrawing a notice to revoke a licence.

Notice to customers

Clause 9.2 of the standard electricity licence conditions states that if a variation is made to the tariff, terms or conditions of a contract with a customer (that is not a small customer), Delta must provide notice to the customer at least five business days before the change takes effect. This is a change from Delta's existing licence, clause 13.2, which states Delta is required to notify a customer of a change to tariffs, terms or conditions "as soon as practicable and in any event no later than the customer's next bill". Delta does not oppose the intent of this change but notes the potential for unintended consequences. For example, if changes to network tariffs were not released until after their effective date and applied retrospectively to network customers it would then be a decision for the retailer, as a network customer, to either:

- apply these changes retrospectively and thereby not giving the affected customers at least 5 business days' notice of the change; or
- absorb the difference between the new and old network charges until the required notice is given and change take effect for the affected customers.

To address this concern Delta requests clarity is added to clause 9.2 of the standard electricity licence, that specifies how breaches of clause 9.2 would be treated by the ESC where the breach is due to actions outside the retailer's control, to ensure unintended outcomes do not occur.

Withdrawing a notice to revoke a licence

Clause 22.4 of Delta's licence and the amended clause 6.4 of the template licence deal with withdrawing a notice to revoke a licence. Delta believes the change to this clause may reduce Delta's ability to have a 'notice to revoke' withdrawn by rectifying the breach as the ESC has removed specific reference to this response in clause 6.4.

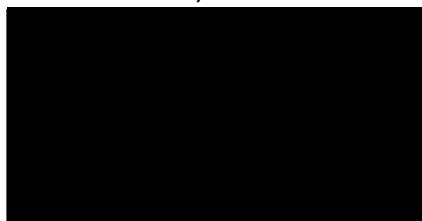
To address this, Delta suggests the original text from clause 22.4 could be kept in clause 6.4, or the ESC could add an explanatory note to clause 6.4 providing context of when the Commission would consider it appropriate to withdraw a notice to revoke a licence, for example, when a breach in licence is rectified.



Also, in relation to clause 6.4 of the template licence, a minor suggestion if it remains unchanged, the readability could be clearer if 'otherwise' and 'to withdraw the notice' at the end of the clause are removed.

To discuss any of the issues raised above please contact [REDACTED] Regulation and Strategy Manager, at [REDACTED]@de.com.au.

Yours sincerely



Executive Manager Marketing