

Queensland

Electricity Amendment Bill (No. 2) 2004



Queensland

Electricity Amendment Bill (No. 2) 2004

Contents

		Page
Short title		4
Commenc	ement	4
Act amend	led	4
		4
Amendme contract)	nt of s 40AA (Supply if no customer connection	4
Replaceme	ent of ss 40A, 40B and 40BA	5
40A	Terms of standard customer connection contract	5
Amendme	nt of s 40G (Disconnection for failure to pay debts)	6
		6
Amendme	nt of s 49A (Sale if no customer sale contract)	6
Replaceme	ent of ss 50 and 51	7
50	Terms of standard customer sale contract	7
Omission o	of s 51A (Amendment of standard customer sale	7
Amendme	nt of s 55B (Contracting out of s 53, 55, 96 or 97)	7
Replaceme	ent of s 55C (Sale of electricity outside retail area)	8
55C	Sale of electricity outside retail area	8
Amendme		8
Insertion o	f new ch 2 pt 8 div 3	8
Division 3	Industry codes	
64FA	Making of codes	9
64FB	Approval of code	10
64FC	When approved code has effect	10
64FD	Access to approved code	10
64FE	Act prevails over approved code	11
	Commence Act amend Amendme distribution Amendme contract) Replaceme 40A Amendme Amendme Amendme Replaceme 50 Omission of contract) Amendme Replaceme 55C Amendme Insertion of Division 3 64FA 64FB 64FC 64FD	Replacement of ss 40A, 40B and 40BA. 40A Terms of standard customer connection contract Amendment of s 40G (Disconnection for failure to pay debts) Amendment of s 49 (Obligation to provide customer retail services to non-contestable customers) Amendment of s 49A (Sale if no customer sale contract). Replacement of ss 50 and 51 50 Terms of standard customer sale contract Omission of s 51A (Amendment of standard customer sale contract). Amendment of s 55B (Contracting out of s 53, 55, 96 or 97) Replacement of s 55C (Sale of electricity outside retail area) 55C Sale of electricity outside retail area Amendment of s 63 (Functions) Insertion of new ch 2 pt 8 div 3 Division 3 Industry codes 64FA Making of codes 64FC When approved code has effect 64FD Access to approved code

16	Amendme	nt of ch 4, pt 2 (Pricing and service quality standards)	11
17		nt of s 90 (Deciding retail prices for non-contestable	11
18	Omission	of s 92 (Standards about quality of service)	11
19		nt of s 119 (Regulator's role in disputes between entity and customers or occupiers)	11
20	Insertion of	of new ss 120AA to 120AE	12
	120AA	Regulator's powers concerning audit of compliance with Act etc.	12
	120AB	Responsibility for cost of audit	12
	120AC	Independent auditor may require reasonable help or information	13
	120AD	Audit report and submissions on report	13
	120AE	Disclosure of information	14
21	Amendme information	nt of s 120ZC (Notice to produce documents or n)	14
22	Insertion of	of new s 120ZCA	14
	120ZCA	Disclosure of information	15
23	Amendme works)	nt of s 140 (Entry to place to protect electricity entity's	15
24		nt of s 141 (Entry to make works or electrical as safe)	15
25	Insertion of	of new s 141B	15
	141B	Associated powers on entry	16
26	Amendme	nt of sch 5 (Dictionary)	16
27	Insertion of	of new ch 14, pt 8	17
	Part 8	Transitional provisions for Electricity Amendment Act (No. 2) 2004	
	310	Existing standard customer sale contracts	17
	311	Existing negotiated customer sale contracts	18
	312	Existing standard customer connection contracts	18
Schedule	Minor am	endments	19

2004

A Bill

for

An Act to amend the *Electricity Act 1994*

	The	Parliament of Queensland enacts—	1
Clause	1	Short title	2
		This Act may be cited as the <i>Electricity Amendment Act</i> (No. 2) 2004.	3 4
Clause	2	Commencement	5
		(1) The following provisions commence on assent—	6
		• sections 3, 14 to 25 and 26(1) and (2)	7
		• schedule, items 1 to 6, 9 to 12, 16 and 17.	8
		(2) The remaining provisions commence on a day to be fixed by proclamation.	9 10
Clause	3	Act amended	11
		This Act and the schedule amend the <i>Electricity Act 1994</i> .	12
Clause	4	Amendment of s 40 (Connection and supply of electricity in distribution area)	13 14
		(1) Section 40(1)(b), after 'entity'—	15
		insert—	16
		'who has entered into a negotiated sale and connection contract with a contestable customer who owns or occupies the premises'.	17 18 19
		(2) Section 40(5), 'the customer'—	20
		omit, insert—	21
		'the applicant'.	22
Clause	5	Amendment of s 40AA (Supply if no customer connection contract)	23 24
		(1) Section 40AA(2), 'For premises of a contestable customer, the customer'—	25 26

		omit, insert—	1
		'Unless subsection (4) applies, the customer who owns or occupies the premises'.	2 3
	(2)	Section 40AA(3)—	4
		omit, insert—	5
	'(3)	Subsection (4) applies if a contestable customer enters into a negotiated sale and connection contract with a retail entity for the premises.	6 7 8
	'(3A)	The retail entity and the host distribution entity are taken to have entered into a contract on the terms of the host distribution entity's standard customer connection contract, in effect from time to time, for the provision of customer connection services to the premises.'.	9 10 11 12 13
	(3)	Section 40AA(4), '(3)'—	14
		omit, insert—	15
		'(4)'.	16
	(4)	Section 40AA(5), 'A contract under subsection (2) or (3)'—	17
		omit, insert—	18
		'The contract'.	19
	(5)	Section 40AA(7), definition host retail entity—	20
		omit.	21
	(6)	Section 40AA(3A) to (7)—	22
		renumber as section 40AA(4) to (8).	23
Clause	6 Re	eplacement of ss 40A, 40B and 40BA	24
		Sections 40A, 40B and 40BA—	25
		omit, insert—	26
	'40A Te	erms of standard customer connection contract	27
	'(1)	The terms of a distribution entity's standard customer connection contract are the terms stated for the contract, from time to time, in an approved industry code.	28 29 30

		'(2)	If the terms of the contract are inconsistent with this Act, the contract is unenforceable to the extent of the inconsistency.'.	1 2
Clause	7		nendment of s 40G (Disconnection for failure to pay bts)	3
			Section 40G(c), after 'contract'—	5
			insert—	6
			', or negotiated sale and connection contract,'.	7
Clause	8		nendment of s 49 (Obligation to provide customer retail rvices to non-contestable customers)	8 9
		(1)	Section 49(4)(b), after 'does not'—	10
			insert—	11
			', under section 52A,'.	12
		(2)	Section 49(7), after 'sale contract'—	13
			insert—	14
			', under section 52A,'.	15
Clause	9	Am	nendment of s 49A (Sale if no customer sale contract)	16
		(1)	Section 49A(1)(b), after 'contract'—	17
			insert—	18
			', or negotiated sale and connection contract,'.	19
		(2)	Section 49A(2), 'For the premises of a non-contestable customer, the customer'—	20 21
			omit, insert—	22
			'The customer who owns or occupies the premises'.	23
		(3)	Section 49A(2), from 'the following'—	24
			omit, insert—	25
			'customer retail services to the premises.'.	26
		(4)	Section 49A(3)—	27
			omit.	28

		(5)	Section 49A(5), 'A contract under subsection (2) or (3)'—	1
			omit, insert—	2
			'The contract'.	3
		(6)	Section 49A(5)(b), from 'the host' to 'contract'—	4
			omit, insert—	5
			'a retail entity enter into, or are taken to have entered into, a customer sale contract or negotiated sale and connection contract'.	6 7 8
		(7)	Section 49A(4) to (7)—	9
			renumber as section 49A(3) to (6).	10
Clause	10	Re	placement of ss 50 and 51	11
			Sections 50 and 51—	12
			omit, insert—	13
	'50	Ter	ms of standard customer sale contract	14
		'(1)	The terms of a retail entity's standard customer sale contract are the terms stated for the contract, from time to time, in an approved industry code.	15 16 17
		'(2)	If the terms of the contract are inconsistent with this Act, the contract is unenforceable to the extent of the inconsistency.'.	18 19
Clause	11		nission of s 51A (Amendment of standard customer e contract)	20 21
			Section 51A—	22
			omit.	23
Clause	12	Am or	nendment of s 55B (Contracting out of s 53, 55, 96 97)	24 25
		(1)	Section 55B, ', 96'—	26
			omit.	27
		(2)	Section 55B(1), after 'sale contract'—	28

			inser	<i>t</i> —	1
			', or	negotiated sale and connection contract,'.	2
Clause	13	Rep are		ment of s 55C (Sale of electricity outside retail	3 4
			Secti	on 55C—	5
			omit,	insert—	6
	'55 C	Sal	e of e	electricity outside retail area	7
		'(1)	retail	customer's electrical installation or premises is outside a lentity's retail area, the entity may sell electricity to the omer for the installation or premises.	8 9 10
		'(2)	How	ever, subsection (1) applies only if—	11
			(a)	the customer is a contestable customer; or	12
			(b)	the customer's electrical installation or premises is not within another retail entity's retail area; or	13 14
			(c)	for a non-contestable customer's electrical installation or premises in another retail entity's area—the other retail entity agrees to electricity being sold to the customer.'.	15 16 17 18
Clause	14	Am	endn	nent of s 63 (Functions)	19
		(1)	Secti	on 63(1)(a), 'become'—	20
			omit,	insert—	21
			'are'		22
		(2)	Secti	on 63(1)(b)—	23
			omit,	insert—	24
			'(b)	to make standards and codes for regulating the electricity industry; and'.	25 26
Clause	15	Ins	ertior	n of new ch 2 pt 8 div 3	27
			Chap	oter 2, part 8—	28
			inser	<i>t</i> —	29

s 15 9 s 15

'Division	3	Industry codes	1
'64FA Mal	king	of codes	2
'(1)		regulator may make industry codes that apply to all or of the following—	3 4
	(a)	distribution entities;	5
	(b)	retail entities;	6
	(c)	special approval holders authorised to perform activities for which a distribution authority or retail authority would otherwise be required under this Act.	7 8 9
'(2)		industry code must state the distribution entities, retail ties or special approval holders to which it applies.	10 11
'(3)		matters for which an industry code may provide include, are not limited to, the following—	12 13
	(a)	minimum service standards for electricity supply to be met by distribution entities;	14 15
	(b)	the service levels to be provided by distribution entities and retail entities to customers;	16 17
	(c)	the payment of amounts by distribution entities or retail entities to affected customers for failure to provide a stated service level;	18 19 20
	(d)	the preparation, by a distribution entity, of plans about the operation and management of the entity's supply network;	21 22 23
	(e)	the rights and obligations of distribution entities, retail entities and customers about customer connection services and customer retail services;	24 25 26
	(f)	the terms of standard customer connection contracts and standard customer sale contracts;	27 28
	(g)	the terms of contracts between distribution entities and retail entities relating to the provision of customer connection services and customer retail services;	29 30 31
	(h)	minimum requirements for distribution entities and retail entities in dealing with customer complaints.	32 33

'(4)	The terms of a contract mentioned in subsection (3)(f) or (g) must not be inconsistent with this Act.	1 2				
'(5)	To remove any doubt, it is declared that, in providing for the terms of a contract mentioned in subsection (3)(f) or (g), an industry code may provide for different terms to apply to different types of customer.	3 4 5 6				
'(6)	An industry code is not subordinate legislation.	7				
'(7)	In subsection (3)—	8				
	distribution entity includes a special approval holder authorised to perform activities for which a distribution authority would otherwise be required under this Act.	9 10 11				
	<i>retail entity</i> includes a special approval holder authorised to perform activities for which a retail authority would otherwise be required under this Act.	12 13 14				
64FB Ap	proval of code	15				
'(1)	A regulation may approve an industry code.	16				
'(2)	When the regulation is tabled as required under the <i>Statutory Instruments Act 1992</i> , section 49, a copy of the approved code must also be tabled.					
'64FC Wh	nen approved code has effect	20				
	'An approved industry code has effect on and from the later of the following days—	21 22				
	(a) the day the regulation approving the code is gazetted;	23				
	(b) the commencement day stated in the code.	24				
'64FD Ac	cess to approved code	25				
'(1)	The chief executive must keep a copy of each approved industry code available for inspection, without charge—	26 27				
	(a) during normal business hours at the department's head office; and	28 29				
	(b) on the department's web site on the Internet.	30				

Electricity Amendment Bill (No. 2) 2004

		'(2) On payment of the fee, if any, decided by the chief executive, a person may obtain a copy of the code from the chief executive.	1 2 3
		'(3) The fee decided by the chief executive for producing a copy of the code must not be more than the chief executive's reasonable cost of producing the copy.	4 5 6
	'64FE	Act prevails over approved code	7
		'If an approved industry code is inconsistent with this Act, including a regulation made under this Act, the Act or regulation prevails to the extent of the inconsistency.'.	8 9 10
Clause	16	Amendment of ch 4, pt 2 (Pricing and service quality standards)	11 12
		Chapter 4, part 2, heading, 'and service quality standards'—	13 14
		omit.	15
Clause	17	Amendment of s 90 (Deciding retail prices for non-contestable customers)	16 17
		Section 90(3), 'and relevant service quality standards'—	18
		omit.	19
Clause	18	Omission of s 92 (Standards about quality of service)	20
		Section 92—	21
		omit.	22
Clause	19	Amendment of s 119 (Regulator's role in disputes between electricity entity and customers or occupiers)	23 24
		Section 119(1)(a), after 'function'—	25
		insert—	26
		'or obligation'.	27

Clause	20 I	Insertio	on of new ss 120AA to 120AE	1
		Cha	apter 5, part 1—	2
		inse	ert—	3
		Regulat	ntor's powers concerning audit of compliance ct etc.	4 5
	'(enti	e regulator may, by written notice given to an electricity ity or special approval holder, require the entity or der—	6 7 8
		(a)	to carry out an internal audit of all or any of the following—	9 10
			(i) the entity or holder's compliance with this Act, industry codes, and the authority issued or approval given to it under this Act;	11 12 13
			(ii) the reliability and quality of information given by the entity or holder to the regulator under this Act; or	14 15 16
		(b)	to appoint a person as an independent auditor to carry out an audit of all or any of the things mentioned in paragraph (a).	17 18 19
	'(to c	e regulator may appoint a person as an independent auditor carry out an audit of all or any of the things mentioned in esection (1)(a) concerning the entity or holder—	20 21 22
		(a)	instead of making a requirement of the entity or holder under subsection (1); or	23 24
		(b)	if the entity or holder fails to comply with a notice given to it under the subsection.	25 26
	'(subs	person may be appointed as an independent auditor under esection (1)(b) or (2) only if the appointer reasonably esiders the person has the appropriate qualifications or berience for carrying out the audit.	27 28 29 30
	'120AB	Respon	nsibility for cost of audit	31
	'(sect	electricity entity or special approval holder required under tion 120AA(1) to carry out, or appoint an independent litor to carry out, an audit is responsible for the cost of the lit.	32 33 34 35

'(2)	If the regulator appoints an independent auditor to carry out an audit concerning an electricity entity or special approval holder, the entity or holder must reimburse the regulator for the cost of the audit if required to do so by the regulator.	1 2 3 4
	dependent auditor may require reasonable help or formation	5 6
'(1)	An independent auditor appointed under section 120AA to carry out an audit concerning an electricity entity or special approval holder may require the entity or holder to give the auditor—	7 8 9 10
	(a) reasonable help to carry out the audit; or	11
	Examples—	12
	 access to the entity's or holder's premises and records 	13
	 help from the entity's or holder's employees 	14
	(b) information, in a form reasonably required by the auditor, to help the auditor carry out the audit.	15 16
'(2)	An electricity entity or special approval holder required to give reasonable help under subsection (1)(a), or information under subsection (1)(b), must comply with the requirement unless the entity or holder has a reasonable excuse.	17 18 19 20
'(3)	If the entity or holder is an individual, it is a reasonable excuse for the individual not to comply with the requirement if complying with the requirement might tend to incriminate the individual.	21 22 23 24
	Note—	25
	A contravention of subsection (2) is a contravention of the entity's authority or holder's approval.	26 27
'120ADA	udit report and submissions on report	28
'(1)	An electricity entity or special approval holder required under section 120AA(1) to carry out, or appoint an independent auditor to carry out, an audit must give a copy of the audit report to the regulator.	29 30 31 32
'(2)	The copy must be given promptly after the audit is completed.	33

27

28

'(an	ne regulator appoints an independent auditor to carry out audit concerning an electricity entity or special approval der, the regulator must give the entity or holder—
	(a)	a copy of the draft audit report and an opportunity to make submissions to the regulator on the draft report; and
	(b)	a copy of the final audit report and an opportunity to make further submissions to the regulator on the final report.
'120AE	Disclos	ure of information
'(hole	s section applies if an electricity entity or special approval der gives the regulator written information about the entity older under this Act.
"((2) The	regulator must disclose the information to QCA if—
	(a)	QCA requests the disclosure for performing its functions; and
	(b)	the entity or holder—
		(i) consents to the disclosure; or
		(ii) is required, under the entity's authority or holder's approval, to consent to the disclosure.'.
	Amend informa	ment of s 120ZC (Notice to produce documents or ition)
	Sec	tion 120ZC(1), from 'with'—
	omi	t, insert—
	'wi	th the conduct rules.'.
se 22	Insertic	on of new s 120ZCA

Chapter 5, part 1A—

insert—

	'12	0ZCAD	isclosur	e of information	1
		'(1)	holder g	tion applies if an electricity entity or special approval gives QCA written information about the entity or under this Act, the <i>Electricity–National Scheme land</i>) <i>Act 1997</i> or the Market Code.	2 3 4 5
		'(2)	QCA m	ist disclose the information to the regulator if—	6
				e regulator requests the disclosure for performing the gulator's functions; and	7 8
			(b) the	e entity or holder—	9
			(i)	consents to the disclosure; or	10
			(ii)	is required, under the entity's authority or holder's approval, to consent to the disclosure.'.	11 12
Clause	23		endmen	t of s 140 (Entry to place to protect electricity ks)	13 14
			Section	140—	15
			insert—		16
		'(1A)	enter the	limiting subsection (1), the electricity officer may place to remove vegetation that is interfering, or has intial to interfere, with the operation of an electric line works of the entity.'.	17 18 19 20
Clause	24		endmen tallation	t of s 141 (Entry to make works or electrical s safe)	21 22
			Section	141—	23
			insert—		24
		'(2A)	may ent may aff	limiting subsection (1) or (2), the electricity officer er the place to remove vegetation that is affecting, or ect, the safety of works or an electrical installation ed in the subsection.'.	25 26 27 28
Clause	25	Ins	ertion of	new s 141B	29
			Chapter	6. part 3—	30

Electricity Amendment Bill (No. 2) 2004

s 26

			insert—	1
	'141B	As	sociated powers on entry	2
			'An electricity officer may take into or onto a place any person, equipment and materials the officer reasonably requires for exercising a power under this chapter.'.	3 4 5
Clause	26	Am	nendment of sch 5 (Dictionary)	6
		(1)	Schedule 5, definition service quality standard—	7
			omit.	8
		(2)	Schedule 5—	9
			insert—	10
			'approved industry code means an industry code approved under section 64FB.'.	11 12
		(3)	Schedule 5, definitions standard customer connection contract and standard customer sale contract—	13 14
			omit.	15
		(4)	Schedule 5—	16
			insert—	17
			'negotiated sale and connection contract means a contract entered into under section 52 for the provision of customer retail services and customer connection services to a contestable customer's premises.	18 19 20 21
			standard customer connection contract means a customer connection contract under section 40A.	22 23
			standard customer sale contract means a customer sale contract under section 50.'.	24 25
		(5)	Schedule 5, definition customer retail services, from 'means'—	26 27
			omit, insert—	28
			'means the sale of electricity to the premises.'.	29
		(6)	Schedule 5, definition <i>customer sale contract</i> , after 'a contract'—	30 31

			insert—	1
			', other than a negotiated sale and connection contract,'.	2
		(7)	Schedule 5, definition <i>negotiated customer sale contract</i> , from 'a contract' to '52'—	3 4
			omit, insert—	5
			'a contract, other than a negotiated sale and connection contract, entered into under section 52 or 52A'.	6 7
lause	27	Ins	ertion of new ch 14, pt 8	8
			Chapter 14—	9
			insert—	10
	'Paı	ቲ 8	Transitional provisions for Electricity Amendment Act (No. 2) 2004	11 12 13
	'310	Exi	isting standard customer sale contracts	14
		'(1)	This section applies to a standard customer sale contract (the <i>existing contract</i>) that is taken, under section 49 or 49A, ¹ to have been entered into between a non-contestable customer and a retail entity and—	15 16 17 18
			(a) is in force immediately before the commencement of this section; and	19 20
			(b) provides for customer retail services and customer connection services for the customer's premises.	21 22
		'(2)	On and from the commencement of this section—	23
			(a) the existing contract terminates; and	24
			(b) the customer is taken to have entered into—	25
			(i) a standard customer sale contract for the premises with the retail entity; and	26 27

Section 49 (Obligation to provide customer retail services to non-contestable customers) or 49A (Sale if no customer sale contract)

		(ii) a standard customer connection contract with the	1
		distribution entity to whose supply network the	2
		premises are connected.	3
'311	Evi	isting negotiated customer sale contracts	4
311			4
	'(1)	This section applies to a negotiated customer sale contract that—	5 6
		(a) is in force immediately before the commencement of this section; and	7 8
		(b) provides for customer retail services and customer connection services.	9 10
	'(2)	On and from the commencement of this section, the contract is taken to be a negotiated customer sale and connection contract.	11 12 13
'312	Exi	isting standard customer connection contracts	14
	'(1)	This section applies to a standard customer connection contract that is—	15 16
		(a) in force between a distribution entity and a retail entity immediately before the commencement of this section; and	17 18 19
		(b) provides for customer connection services to a non-contestable customer's premises.	20 21
	'(2)	On the commencement of this section, the contract terminates.'.	22 23

Sche	dule Mi	nor amendments	1
		section 3	2
1	Chapter 1, part 3,	heading—	3
	omit, insert—		4
'Part	3 Dic	ctionary and notes in text'.	5
2	Chapter 1, part 3—	_	6
	insert—		7
'4A	Notes in text		8
	'A note in the te	xt of this Act is part of the Act.'.	9
3	Section 27(b)(vi), 'protocols, standar	(Additional condition to comply with rds and codes)'—	10 11
	omit.		12
4	Sections 28 and 30	6, 'the regulations'—	13
	omit, insert—		14
	'this Act'.		15
5	Section 40H, ', 96'	_	16
	omit.		17
6	Section 45, 'the re	gulations'—	18
	omit, insert—		19
	'this Act'.		20

Schedule (continued)

7	Section 51AA(7), 'sections 50 to 51A'—	1
	omit, insert—	2
	'section 50'.	3
8	Sections 53, 54 and 55, '49(1)'—	4
	omit, insert—	5
	'49'.	6
9	Section 55E, 'a regulation'—	7
	omit, insert—	8
	'this Act'.	9
10	Section 60(1)(a)(iii), '(Additional condition to comply with protocols, standards and codes)'—	10 11
	omit.	12
11	Section 61, 'the regulations'—	13
	omit, insert—	14
	'this Act'.	15
12	Section 89A(4), 'quality'—	16
	omit.	17
13	Section 135HY, '49A(3)'—	18
	omit, insert—	19
	'49A(2)'.	20

Schedule (continued)

14	Section 135HY(1), '49A(5)'—	1
	omit, insert—	2
	'49A(4)'.	3
15	Section 135HY(2), 'and (3)'—	4
	omit, insert—	5
	'and (2)'.	6
16	Chapter 6, part 3, heading—	7
	omit, insert—	8
'Part	3 Other provisions about	9
	exercise of electricity officer's	10
	powers'.	11
17	Section 264(1) and 266, 'A'—	12
	omit, insert—	13
	'Without limiting section 263, a'.	14

© State of Queensland 2004