

MEMORANDUM OF UNDERSTANDING

Between

ENERGY OMBUDSMAN QUEENLAND  
("EOQ")

and

QUEENSLAND COMPETITION AUTHORITY  
("the Authority")

## INTRODUCTION

1. In September 2005, the Queensland Government announced that Full Retail Competition (FRC) would be introduced in Queensland gas and electricity retail markets from 1 July 2007.
2. Amendments were introduced into the *Electricity Act 1994* and *Gas Supply Act 2003* and the Electricity and Gas Industry Codes to establish the legislative framework for FRC in the electricity and gas markets in Queensland. Additional legislation in the form of the *Energy Ombudsman Act 2006* was also introduced.
3. The Energy Ombudsman Queensland (EOQ) and the Queensland Competition Authority (the Authority) have a number of obligations under these legislative instruments.
4. This memorandum seeks to:
  - a) ensure that the regulatory, advisory and decision making practices of EOQ and the Authority in relation to the Queensland energy market are closely integrated and well informed;
  - b) avoid overlap or conflict between regulatory responsibilities affecting consumers in the Queensland energy market;
  - c) provide for sharing of information between the parties in the context of their respective roles in relation to the Queensland energy market and to assist in the resolution of complaints and disputes between energy entities and small customers;
  - d) promote the adoption of a best practice approach to regulation; and
  - e) assist EOQ and the Authority in performing respective functions under the relevant legislation.

## THIS MEMORANDUM OF UNDERSTANDING

is made on the            day of            2007.

BETWEEN            ENERGY OMBUDSMAN QUEENSLAND of 179 North Quay, Brisbane  
in the State of Queensland ("EOQ")

AND            QUEENSLAND COMPETITION AUTHORITY of (street address  
required), Brisbane in the State of Queensland ("the Authority")

## RECITALS / OBJECTIVES

5. EOQ is responsible under the *Energy Ombudsman Act 2006* to receive, investigate and facilitate the resolution of disputes referred to it under this Act.
6. The Authority has responsibilities under the *Electricity Act 1994* and *Gas Supply Act 2003* as well as delegated responsibilities under these Acts, including the enforcement of the Electricity Industry Code and the Gas Industry Code.
7. The parties have entered into this memorandum of understanding to provide for consultation between them and the integration and coordination of their regulatory and other responsibilities under the *Electricity Act 1994*, *Gas Supply Act 2003*, *Energy Ombudsman Act 2006*, the associated regulations, the Electricity Industry Code and the Gas Industry Code including but not limited to:
  - (a) the conduct of any enquiry or investigation;
  - (b) the making or amending of an industry code; and
  - (c) investigating a possible contravention of an industry code, where relevant.
8. The following legislation and subordinate legislation are relevant to this memorandum of understanding and outline the roles and responsibilities of the parties:
  - (a) *Electricity Act 1994*;
  - (b) *Electricity Regulations 2007*;
  - (c) *Gas Supply Act 2003*;
  - (d) *Gas Supply Regulations 2007*;
  - (e) *Queensland Competition Authority Act 1997*;
  - (f) *Energy Ombudsman Act 2006*;
  - (g) Electricity Industry Code; and
  - (h) Gas Industry Code;

## DEFINITIONS

9. In this Memorandum:  
"Authority" means the Queensland Competition Authority or its successors;

“EOQ” means Energy Ombudsman Queensland;

“Minister” means the Minister responsible for all Energy legislation and subordinate legislation;

“Small customer” means a domestic and small business customer whose annual electricity consumption is under 100 megawatt hours or annual gas consumption is under one terrajoule.

## COMMENCEMENT DATE AND TERM OF AGREEMENT

10. This agreement shall commence on 1 July 2007.
11. This memorandum of understanding can be amended or terminated at any time by the agreement of both parties.

## The Role of EOQ

12. The Ombudsman under the *Energy Ombudsman Act 2006* has responsibility to:
  - (a) receive, investigate and facilitate resolution of disputes referred under the Energy Ombudsman Act 2006;
  - (b) resolve disputes and make orders, if they cannot be resolved by agreement, negotiation or mediation;
  - (c) promote the operation of the *Energy Ombudsman Act 2006* to small customers and relevant occupiers of land;
  - (d) identify systematic issues arising out of complaints anyone makes to the Ombudsman; and
  - (e) deal with any other functions conferred on the Energy Ombudsman under any Act.

## The Role of the Authority

13. Other than those responsibilities that may be delegated to the Authority by the Minister, the Authority is also required under the Electricity Act, Gas Supply Act, the Electricity Industry Code and the Gas Industry Code to:
  - a) provide the Minister with a written report about the performance of the Authority's functions under the Electricity Act and Gas Supply Act and any of the Minister's functions that have been delegated to it;
  - b) from time to time give the Minister reports about significant events in Queensland's electricity or processed natural gas market of which the Authority considers the Minister should be aware;
  - c) enforce the provisions of the Electricity Industry Code and Gas Industry Code including the review of:
    - i. minimum service standards to apply at the beginning of each regulatory period; and
    - ii. guaranteed service levels and payments;
  - d) where required by a regulation, establish a retailer of last resort scheme for electricity;

- e) make or amend industry codes for electricity and reticulated processed natural gas markets;
- f) require a distributor or retailer to conduct an audit of its compliance with an industry code;
- g) approve procedures submitted by a retailer for resolving small customer complaints and disputes with respect to marketing;
- h) develop and make available a retail price comparator; and
- i) perform other functions given to the Authority under the Electricity Act, Gas Supply Act, Queensland Competition Authority Act or any other relevant Act.

### **How the Parties will Consult**

14. Each party having regard to their respective roles will:
- a) consult with and involve the other in the performance of any investigation that has or is likely to have material implications for the other;
  - b) consult with and involve the other in the performance of any function that has or is likely to have material implications for the other;
  - c) ensure that such consultation occurs as early as practicable in the parties' regulatory, advisory or decision making processes;
  - d) on written request, provide the other with timely advice on regulatory matters for which it is responsible;
  - e) provide the other with timely relevant information on industry issues for which both parties have some responsibility;
  - f) promptly inform the other of any material changes to its role or to the regulatory arrangements it administers;
  - g) exchange details of annual work programs to the extent that they are relevant to the role of the other;
  - h) provide the other with advance notice of its intention to undertake a major review or activity that will or may have material implications for the other;
  - i) identify opportunities to coordinate strategic planning and undertake knowledge sharing initiatives to optimise material understanding of roles and strategic directions; and
  - j) identify relevant project officers to allow for the coordination of particular regulatory projects.
15. Each party having regard to their respective roles must maintain information and records and provide copies of the records to the other party's designated officer at stated times or when requested.

### **How the Parties will Manage their Relationship and Resolve Disputes**

16. Each party will ensure that, at all times while this memorandum is in force, one or more of its staff members is designated and known to the other as its contact officer for the purposes of this memorandum.
17. At the date of this memorandum, the contact officer at the Authority is Mr Gary Henry and the contact officer for EOQ is Mr Barry Adams. Each party will give notice of any change to its contact officer to the other, promptly after the change is made.

18. Each party will ensure that its contact officer:
- (a) makes themselves (or a nominated officer/s) available at all relevant times to address any questions, concerns or disputes arising out of the operation of this memorandum which are raised by either party;
  - (b) instigates periodic (and in any event not less than three years) reviews of this memorandum directed, in particular, to the potential for improvement in its terms or operation and to the effect (if any) of regulatory change on its terms, operation or utility; and
  - (c) arranges (in conjunction with the other's contact officer) such meetings of appropriate staff of the parties as and when necessary or desirable to facilitate the efficient and effective operation of this memorandum; and
  - (d) If there is a dispute between the parties as to the terms or operation of this memorandum, each party will ensure that its contact officer endeavours in good faith to resolve that dispute with the other's contact officer.
19. In the event that an investigation or resolution of a dispute is submitted to each of EOQ and the Authority, to avoid overlap or conflict of reporting the parties will agree to, where practicable, align reporting requirement to reduce duplication of reporting.

### **Use and Disclosure of Information**

20. Each party will use and disclose any information under the obligations set out under the relevant legislation under section 8 of this memorandum of understanding.
21. The capacity of a party to use or disclose information, or take information into account, is or may be (depending on the nature or source of the information) restricted by law.
22. If a party discloses information to the other party under this memorandum, the disclosing party may place restrictions on the recipients use or disclosure of that information, being restrictions it believes in good faith are necessary for compliance with binding restrictions on disclosure. A party receiving information will observe any such restriction noting, however, that this requirement does not limit:
- (a) any other legal obligation of a party to the disclosure or use of information; and
  - (b) any right of a party concerning information otherwise than under this memorandum.

EXECUTED AS A MEMORANDUM BY:

THE COMMON SEAL of the QUEENSLAND  
COMPEITION AUTHORTHY was affixed pursuant  
to the powers of the Authority

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*EJ Hall*

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EJ Hall  
Chief Executive

Signed for the Energy Ombudsman Queensland by:

*L Stevens*

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Witness Signature

*LYN STEVENS*

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Print Name

*Barry Adams*

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Authorised Officer

*Barry Adams*

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Print Name