

**Response to supplementary questions received from Mr Tim O’Grady, General Manager
Government Engagement, Origin following appearance at public hearing held on 12 August 2022**

Question 1:

During your testimony, you mentioned \$60 per month is average bill water. Can you clarify if you meant the actual usage of water? Hot & Cold combined? Or were you referring to the charge for the heating of hot water?

Answer:

A typical embedded network hot water customer in a Sydney apartment building pays around \$60 per month for hot water. This covers the heating of the water, the cost recovery/return on the heating plant/metering capital investment, planned and emergency repairs/maintenance of the equipment, and billing/collection services. It does not account for the cold water cost.

Question 2:

Would you be surprised to know that the \$9,000 bill from WinConnect we referred to during questioning was for the heating of hot water ONLY.

Answer:

Origin’s understanding is that the “\$9,000 bill from WinConnect” referred to during questioning at the public hearing was for heating of the water, the cost recovery/return on the heating plant/metering capital investment, planned and emergency repairs/maintenance of the equipment, and billing/collection services.

Question 3:

The couple that were charged that \$9,000 from WinConnect used 38,970 litres of water in a one month Period – and were being charged \$1.4916 cents per litre. That equates to \$581.27 for just the heating of their hot water for that month! Do you believe anyone should be paying almost \$600 per month for the heating of their hot water?

Answer:

A typical embedded network customer pays \$60 per month for heating of the water, the cost recovery/return on the heating plant/metering capital investment, planned and emergency repairs/maintenance of the equipment, and billing/collection services. A customer typically use approximately 2,300 litres of hot water per month, so usage of 38,970 for a month is highly unusual. And while usage of circa \$600 per month is highly unusual, and significantly more than we would expect customers to normally pay, it is an accurate charge in this instance.

Question 4:

What is the pricing policy that Origin has set for WinConnect?

Answer:

WINconnect customers remain on their legacy billing platform and continue to currently be charged under the WINconnect pricing policy, noting that the WINconnect policy is typically very similar to Origin hot water pricing for standard customers. Origin plans to move WinConnect customers onto Origin’s systems and pricing plans over the next 9-12 months.

Question 5:

You testified that changing from Origin Energy was an easy process. I can inform you that some of the complainants are your customers and have in-fact stated that Origin Energy made the change very difficult and in one case it took almost 1-year to get this switched over. Does Origin have set KPI timeframes for changing over customers?

Answer:

My testimony on embedded network customers changing relatively easily was at the building (strata corporation) level. If a strata corporation wishes to exit their hot water or embedded electricity agreement with Origin, we will facilitate the transfer to another provider under the terms of our agreement. This typically requires a strata corporation to provide 6 months' notice. This length of time is important to ensure operational requirements are fulfilled, including issuing of final bills, transfer/removal of equipment, gas/electricity supply agreements to be established and meter reading arrangements put in place.

Question 6:

You testified that complaints to Origin Energy are handled quickly and with good outcomes. Can you advise how many complaints you have had about Embedded Network pricing, and how many have been resolved with an ongoing reduction in pricing to a fair price?

Answer:

Origin does not maintain specific complaints reporting about embedded network pricing. Anecdotally, complaints about Origin embedded network pricing would be expected to be low, as customers receive significant discounts to the DMO automatically. It is not usual practice for Origin to reduce customer prices from the standard embedded network pricing, even if a complaint is received.

Question 7:

Are low income earners given any extra discount to their hot water heating bills?

Answer:

Low income earners are not provided extra discounts to their hot water bills. However, the standard government rebates for electricity, supplied within an embedded network, are applied as appropriate.