

General Terms: <<September 2012 Version>>

1. What we agree to do

- 1.1 Simply Energy is an electricity retailer selling electricity under its electricity retail licences.
- 1.2 If your supply address is in Victoria, we agree to procure the supply of electricity to your supply address and sell electricity and related services to you.
- 1.3 If your supply address is in New South Wales, Queensland or South Australia, we agree to sell electricity and related services to you.

2. What you agree to do

You agree to pay us for the electricity we sell you and for related services we supply.

3. What if your annual consumption is less than the threshold in your State?

- 3.1 If your annual consumption of electricity is less than 40MWh at a supply address in Victoria, 160MWh at all supply addresses in New South Wales, 100MWh at a supply address in Queensland or is less than or equal to 160MWh at a supply address in South Australia, additional applicable laws and regulations apply.
- 3.2 If there are any inconsistencies, the applicable laws and regulations apply. If any provision of this agreement is void, invalid or unenforceable as a result of the operation of the applicable laws and regulations, that provision may be severed and does not affect the validity, operation or enforceability of any other provision of this agreement.
- 3.3 We will determine your rate of consumption or expected consumption of electricity in New South Wales at the commencement of this agreement and on any renegotiation of this agreement, but not otherwise.

4. Your agreement with your distributor

- 4.1 Your electricity distributor connects your supply address to its electricity distribution network, maintains that connection and supplies electricity to your supply address.
- 4.2 Depending on the State your supply address is in, you may have a negotiated contract with your distributor dealing with the connection and supply of electricity to that supply address or there may be a standard contract in place between you and your distributor under applicable laws and regulations.

5. The effective date

This agreement becomes an effective, legally binding contract on the date it is signed by both us and by you.

6. Steps to be taken after the effective date

- 6.1 We may ask you for credit support.
- 6.2 If you do not have an interval meter installed, you may request us to arrange for installation on your behalf. We will inform you of the relevant charges.
- 6.3 You must inform us immediately if the supply address is or will become connected to an embedded network. This obligation continues after the start date.
- 6.4 If you are transferring from another retailer to us then, after the effective date and once we are satisfied with creditworthiness (or the credit support you have provided) and that your supply address is not connected to an embedded network, and you have an interval meter installed, we will arrange for the transfer. We will aim for the transfer to take effect from the proposed start date.
- 6.5 If your supply address is not already connected, you need to tell us to arrange for that to occur. After the effective date and once we are satisfied with creditworthiness (or the credit support you have provided), we will forward your details to your distributor for the purpose of arranging connection of your supply address and related services.

7. The start date

- 7.1 The start date is the date on and from when we become obliged to sell you electricity under this agreement and you become obliged to pay us for electricity.
- 7.2 The start date is:
 - (a) if you are transferring from another retailer to us, the date your supply address has been transferred to us;
 - (b) if you are establishing a new connection to your supply address, the date your supply address has been connected; and
 - (c) otherwise, the proposed start date.
- 7.3 We are not responsible for any delay to the start date, whether the delay is our fault or not. All liability on us for any delay to the start date is excluded.

8. What happens if the steps to be taken after the effective date are not completed?

If you are required to provide credit support or install an interval meter, and this has not been done by the proposed start date, we may send you a notice reminding you of the steps you need to take and the time in which you must complete them. If you do not complete the steps within the specified time period, we may terminate this agreement.

9. When your obligation to pay for electricity starts

Your obligation to pay us for electricity starts on the start date.

10. Your rates

10.1 Your initial energy rates and RET rates, and any VEEC, ESC and GEC rates, are all included in our quote.

10.2 Your energy rates have been set by us based on information you gave us, or which was otherwise available to us, about:

- (a) your load volume, being the amount of electricity in MWh supplied to your supply address; and
- (b) your load profile, being the total quantity of electricity supplied to your supply address in a year (or part of a year) and the allocation of that quantity of electricity into half hour periods occurring during that year (or that part of that year)

10.3 You must notify us as soon as possible if you become aware of a material change in your load volume or your load profile.

10.4 If:

- (a) there is a difference of more than 10%, whether positive or negative, between the load volume used to set your energy rates and the load volume in any 12 month period commencing on the start date or on an anniversary of the start date; or
- (b) there is a difference between your load profile used to set your energy rates and your actual load profile after the start date,

we may change, but do not have to change, your energy rates to reflect the difference. The new energy rates will be set by us on the same basis as your initial energy rates were set (but at the electricity rates prevailing at the time your energy rates are changed), and may apply to you retrospectively (in which case we will impose an additional charge to recover the difference between amounts paid or payable under the old energy rates and the corresponding amount under the new energy rates).

11. Our bills

11.1 Our bills will cover:

- (a) the amount of electricity supplied to your supply address, to which we will apply your energy rates, any GreenPower rates, your RET rates and any VEEC, ESC or GEC rates;
- (b) our retail service charge and any other charge you have agreed to;
- (c) any carbon charge contemplated by clause 35;

- (d) any additional charges contemplated by clause 36;
- (e) the amount of any network or other charges that we pay your distributor that relate to you;
- (f) charges for any other goods and services we sell to you under this agreement; and
- (g) goods and services tax.

11.2 We will endeavour to bill you once every month. In any event we will bill you at least every 3 months.

12. How we will calculate your bills

12.1 Generally, we will base each of your bills on a reading of the meter.

12.2 Our bill may cover a period other than your usual billing cycle or a period during which the energy rates applicable to you changes. We will charge you in proportion to the relevant periods and clearly show relevant details on the bill.

12.3 If we are unable to reasonably or reliably base a bill on a reading of your meter, or if when you are transferring we are permitted by applicable laws and regulations to estimate consumption, we may provide you with an estimated bill.

12.4 If we give you an estimated bill and we subsequently read your meter or otherwise get a reliable meter reading, to the extent that applicable laws and regulations permit we will adjust the next bill.

12.5 If you otherwise want an estimated bill replaced with a bill based on a meter reading, we will do that on request. We may impose an additional charge.

13. You can have our bill reviewed

We will review your bill on request. Despite the review, you must pay the full amount of the bill (including any disputed amount) by the payment due date. If the bill is incorrect, we will adjust the bill. If the bill is correct, you may ask for a meter test. If your meter is found to be compliant, you must pay the cost of the test.

14. What we will do if we have undercharged or overcharged you

14.1 If for any reason we have undercharged or not charged you, we may recover from you the full amount undercharged or not charged. We will list the amount to be recovered as a separate item in a special bill or in our next bill. Where we have been charged interest on the amount by which we have undercharged you, we may pass that interest charge on to you. Such interest will be at the rate of 10% per annum, calculated daily, with interest accruing from the date on which the amount undercharged would have been payable if it was properly charged.

14.2 If for any reason we have overcharged you, we will inform you as soon as possible after becoming aware of the error and repay the amount according to your reasonable instructions. If you do not give us reasonable instructions we will credit the amount on your next bill.

15. Paying our bill

- 15.1 You must pay each bill by the payment due date on the bill.
- 15.2 You can pay your bill by sending us a cheque, by electronic funds transfer into our bank account, or by any other payment method set out in your bill.
- 15.3 We may charge you interest if you are late paying us. Interest will accrue on and from the payment due date on your bill at the rate of 10% per annum, calculated daily.
- 15.4 If we incur a fee because your payment is dishonored or reversed, we may recover the fee from you and impose an additional charge.

16. When we may require you to provide us with credit support

- 16.1 We may carry out a credit check on you at any time (including before and after the start date). We will carry out this check through a credit reporting agency.
- 16.2 We may require you to provide credit support if we decide at any time your creditworthiness is unsatisfactory. Credit support may be required up to the value of three times the average or estimated monthly invoice amount for your supply address.

17. Your supply address and your NMI

- 17.1 Your supply address is the address for the supply of electricity included in the Supply Details or, if there is more than one such address, each or all of them (as the context may require)
- 17.2 Your NMI (or National Meter Identifier) is a unique number that identifies your electricity meter. It is included in the Supply Details.
- 17.3 If there is more than one NMI included in the Supply Details then there is a separate agreement between you and us covering each NMI and the supply address to which that NMI relates. These general terms, including clauses 10.4, 24 and 25, apply in respect of each NMI and its related supply address separately and subject to any necessary adaptation, provided that:

- (a) if we are entitled to change your energy rates under clause 10.4 of one of the separate agreements then we are also entitled to make the same change to your energy rates under each other separate agreement. We are also entitled to change your energy rates under all the separate agreements as if clause 10.4 applied in respect of your aggregate load volume and aggregate load profile for all your NMIs and supply addresses; and
- (b) nothing in this clause 17.3 requires us to bill or otherwise administer the separate agreements separately.

18. You must have an interval meter

You must have an interval meter installed at the supply address. If an interval meter is not installed at any time, you must install one at your own cost.

19. You must give us access to the meter

You must allow us or our representatives safe, convenient and unhindered access to your supply address and meter for the purposes of installation, reading, maintenance and repair of your meter and for connection, disconnection and reconnection.

20. Why we might disconnect your supply address

We may disconnect your supply address:

(a) if you fail to pay us by the payment due date on your bill;

(b) if you commit an insolvency event;

(c) if the meter is not accessible; or

(d) if you refuse when required to provide credit support.

21. The expiry date

Starting from the start date, our agreement continues for the duration specified in the Important Details.

22. Ongoing arrangements after termination or expiry

- 22.1 Before the term expires we may offer to extend the term of this agreement at rates and on terms detailed in our offer. If you do not enter into another agreement for the sale or supply of electricity to your supply address before the term expires, you will be taken to have accepted the offer.

22.2 Unless clause 22.1 applies or you and we agree something else, after this agreement is terminated or expires, if we continue to sell or supply electricity to you, you must buy electricity from us at energy rates equal to the spot price plus \$50 per MWh (or such lesser additional amount in \$ per MWh as we may determine is fair in the circumstances), at the same RET, VEEC, ESC and GEC rates, if any, applicable at the time this agreement is terminated or expires (or, if it is greater, the maximum charge or penalty potentially payable under relevant RET, VEEC, ESC or GEC legislation) in respect of the electricity we have sold or supplied to you and otherwise on terms corresponding to these general terms. You must also pay for all network charges, market charges and metering charges on a pass through basis and additional charges contemplated by clauses 35 and 36.

23. Additional charges

We may charge you for additional services you request (such as providing additional invoices). We will inform you of the relevant charges.

24. We may impose an early termination fee

24.1 If you terminate this agreement early or you vacate or cease taking a supply of electricity at the supply address or if we terminate in accordance with clause 25, we may impose an early termination fee to compensate us for any loss or damage we suffer because of such early termination, vacation or cessation of supply (after any change of energy rates under clause 10.4). Our loss may include any loss of profit (based on your estimated load volume set out in the Supply Details), amounts we have to pay under contracts and arrangements with electricity generators, metering services providers, providers of emissions units or other permits and others because of or despite the termination, or in terminating or renegotiating those contracts or arrangements. Our loss may also include network charges incurred between the time you vacate the supply address and the time the meter is disconnected.

24.2 If this agreement is terminated before the start date, we may impose an additional early termination fee of \$500 to cover the costs of arranging for an interval meter to be installed or for connection.

25. Our right to terminate our agreement

We may terminate this agreement immediately by giving you written notice:

- (a) if you breach a term of this agreement;

- (b) if you do not complete the steps required of you after the effective date within the period of time specified in the notice under clause 8;
- (c) if we are unable to install an interval meter or otherwise connect your supply address for reasons outside our control (for example, the Supply Details are incorrect or the supply address is already contracted);
- (d) after we have disconnected your supply address, when we enter into a new agreement with you;
- (e) if you transfer to another retailer; or
- (f) if the supply address is connected to an embedded network, whether the connection was initiated before, on or after the start date.

26. Termination for last resort event

If your supply address is in South Australia, our agreement will terminate if we are no longer entitled to sell electricity due to a last resort event. If this occurs, we must provide your name, billing address, NMI and NMI checksum to the electricity entity appointed as the retailer of last resort within one business day.

27. When the termination of our agreement will be effective

Any termination of this agreement is not effective until:

- (a) if you enter into a new agreement with us, the effective date of the new agreement; or
- (b) if you transfer to another retailer, your supply address has been transferred to the other retailer; or
- (c) if we disconnect your supply address, the date of disconnection.

28. What happens after this agreement is terminated

Liabilities accrued under this agreement are not affected by termination of this agreement. Your obligations continue until you have paid to us any outstanding amounts and for as long as electricity is supplied to your supply address while we are financially responsible to AEMO for it.

29. Our responsibility for the quality and reliability of your supply of electricity is limited

29.1 You acknowledge that the quality, frequency and continuity of supply of electricity is subject to a variety of factors outside our control. You also acknowledge that the nature of electricity supply is such that we cannot guarantee to you the quality, frequency or continuity of supply to your supply address.

29.2 You must take your own reasonable precautions to minimise the risk of loss or damage to your equipment, premises or business that may result from quality, frequency or reliability of electricity supply.

30. Other limitations on our liability to you

30.1 This agreement does not vary or exclude any immunity, limitation of liability or indemnity that we may have under any applicable laws and regulations.

30.2 To the maximum extent permitted by any applicable laws and regulations, our liability to you (whether for breach of any condition or warranty or otherwise) is excluded. Where liability cannot be excluded, our liability is limited (at our option) to the replacement of the goods, the supply of equivalent goods or the payment of the cost of acquiring equivalent goods. In the case of a service, our liability is limited to the re-supply of the service or the payment of the cost of having the service supplied again.

31. Your indemnity to us

You indemnify us for any loss we incur as a result of your breach of this agreement or your negligence.

32. Events outside our control

32.1 If we would otherwise breach this agreement because of an event outside our control, then to the extent necessary our obligations are suspended for as long as the event continues.

32.2 We will endeavour to give you prompt notice of the details of such an event.

32.3 If we claim such an event, we will endeavour to remove, overcome or minimise the effects of the event as quickly as possible. However, this does not require us to settle any industrial dispute in any way we do not want to.

32.4 This agreement is the entire agreement between us. It sets out the only conduct relied on by the parties, and supersedes all earlier conduct or prior agreements and understandings.

33. Assignments by you

You may only assign or create an interest in your rights under this agreement with our prior written consent.

34. Assignments and transfers by us

We may only assign or create an interest in our rights under this agreement with your consent. In addition, we may transfer our rights and obligations under this agreement as part of a sale of our electricity retailing business without your consent.

35. Clean Energy Mechanism and other carbon measures

35.1 In respect of the Clean Energy Mechanism and also if after the effective date any other carbon scheme or a carbon tax or other similar measure is introduced and commences to apply, we may impose a carbon charge, either as a variation to your energy rates or as an additional charge, determined in accordance with clause 35.2.

35.2 The amount of any carbon charge is to be an amount reasonably determined by us to compensate us for the increase in the cost of the electricity sold to you under this agreement arising from the Clean Energy Mechanism, other carbon scheme, carbon tax or other similar measure, determined for each bill as if:

(a) we purchased that electricity from an electricity generator with a carbon intensity over the period covered by the relevant bill as included in your quote or, if no carbon intensity is included in your quote, a carbon intensity equivalent to 1.0 tonnes of CO₂-e/MWh;

(b) that electricity generator passed on to us the costs incurred by or the tax assessed against that electricity generator under the carbon scheme, carbon tax or other similar measure in or for generating that electricity; and

(c) if the measure is a carbon scheme:

(1) costs were incurred by that electricity generator purchasing permits under the carbon scheme in an amount covering the greenhouse gas emitted by that electricity generator in generating that electricity; and

(2) that electricity generator purchased those permits at the following price:

(A) in the first stage of the Clean Energy Mechanism, the fixed price at which permits are made available by the Government for the year in which we sold you that electricity; and

(B) otherwise, at the average over the period covered by that bill of the daily closing price on the Australian Stock Exchange of contracts for the purchase and sale of those permits or, if the Australian Stock Exchange does not publish such prices or we reasonably consider such prices do not reflect the spot market price of those permits, at such other prices as we reasonably consider reflects the spot market price of those permits.

36. Other costs we incur

36.1 We may vary your rates or impose additional charges the amount of which must be reasonable having regard to the amount of related costs we incur in selling electricity and related services to you and, if your supply address is in Victoria, in procuring the supply of electricity to your supply address.

36.2 These rate variations or additional charges may cover costs that relate to your meter, fees we must pay AEMO, amounts we pay to your distributor, additional costs we incur as a result of the introduction of, or a change in, a tax or any other applicable laws and regulations (including, without limitation, a scheme law but to the extent that those costs are provided for in clause 35, excluding to that extent any carbon scheme, carbon tax or other similar measure) and changes in the effective cost to us of the electricity we sell you under any hedging cover or other similar arrangement maintained by us (for example arising from a generator force majeure event or the pass through of additional costs a generator incurs as a result of a change in a tax or any other applicable laws and regulations (including, without limitation, a scheme law but, to the extent that these costs are provided for in clause 35, excluding any carbon scheme, carbon tax or other similar measure)).

36.3 We may also vary your rates or impose additional charges to recover the amount of any loss we incur in connection with any RET, VEEC, ESC or GEC certificates we purchase in anticipation of obligations we will have under the relevant scheme law in respect of electricity we will sell you under this agreement, being certificates which ultimately are not required to discharge those obligations either because:

- (a) there is, by virtue of a change in the scheme law or a decision made under the scheme law after the time we purchase those certificates, a reduction in the number of certificates required to discharge those obligations; or
- (b) you consume less electricity than the amount which, at the time we purchased those certificates and based on your historical consumption data and any other information provided to us by you, we estimated you would consume.

37. Variation in writing

37.1 Generally, any variation to this agreement must be agreed between us in writing.

37.2 However, if we consider it is necessary to vary the terms of this agreement to comply with any change in applicable laws and regulations, or if, in our reasonable opinion, a variation benefits you, imposes an additional obligation on us, or is otherwise of neutral impact on you, we may do that without your agreement. Instead we will notify you of the variations.

38. Your contact details

You must inform us of any relevant change in your contact details as soon as possible.

39. Keeping your information confidential

We will comply with applicable laws and regulations concerning the use or disclosure of personal information about you.

40. Keeping this agreement confidential

You must keep this agreement confidential and must not disclose its terms to any other person without our consent.

41. Definitions

Unless otherwise required, in this agreement:

- (a) **AEMO** means Australian Energy Market Operator Limited ABN 94 072 010 327 or any other entity that operates the national electricity market.

- (b) **applicable laws and regulations** means any relevant acts of the Parliament of the Commonwealth of Australia or of any of State as well as any subordinate or other relevant regulations, orders, codes, rules or guidelines.
- (c) **business day** means a day other than a Saturday or Sunday or a public holiday.
- (d) **carbon scheme** means the Clean Energy Mechanism and any other Commonwealth of Australia scheme for the management of greenhouse gas emissions or concentrations which requires the owners or operators of electricity generation facilities to surrender permits issued or recognised under the scheme in relation to those greenhouse gas emissions or concentrations.
- (e) **carbon tax** means a tax, charge, assessment or levy relating to greenhouse gas or the emission of greenhouse gas into the atmosphere.
- (f) **Clean Energy Mechanism** means the mechanism established under the Clean Energy Act 2011 (Cth) comprising:
- a first stage expected to commence on 1 July 2012 in which permits will be made available by the Government at a fixed price; and
 - a second stage expected to commence on 1 July 2015.
- (g) **credit support** means a bank guarantee, refundable advance or other security for payment of money payable under this agreement.
- (h) **embedded network** means a network embedded within the distribution network of a licensed distributor.
- (i) **ESC** means the New South Wales energy savings scheme established under Part 9 of the Electricity Supply Act 1995 (NSW).
- (j) **GEC** means the Queensland gas electricity scheme established under Chapter 5A of the Electricity Act 1994 (Qld).
- (k) **last resort event** means an event that triggers the operation of the retailer of last resort scheme approved by the Essential Services Commission of South Australia.
- (l) **loss factors** means a factor which is approved by the relevant jurisdictional regulator and takes into consideration electrical energy losses incurred in transmitting and distributing electricity over a network.
- (m) **National Electricity Rules** means the rules of that name approved in accordance with the National Electricity Law set out in the schedule to the National Electricity (South Australia) Act 1996 (SA).
- (n) **NMI** is defined in clause 17.2.
- (o) **off peak period** means a period that is neither a peak period nor a shoulder period.
- (p) **peak period** means (unless otherwise notified):
- in respect of a supply address in Victoria or Queensland, from 7:00 am to 11:00 pm Australian Eastern Standard Time Monday to Friday;
 - in respect of a supply address in New South Wales, from 7:00 am to 9:00 am and from 5:00 pm to 8:00 pm Australian Eastern Standard Time Monday to Friday, excluding public holidays; and
 - in respect of a supply address in South Australia, from 7:00 am to 9:00 pm Australian Central Standard Time Monday to Friday, excluding public holidays.
- (q) **RET** means the Renewable Energy Target scheme for the large-scale renewable energy target and the small-scale renewable energy scheme established under the Renewable Energy (Electricity) Act 2000 (Cth) and related legislation.
- (r) **scheme laws** means any applicable laws and regulations and administrative requirements in connection with RET, VEEC, ESC or GEC or any other scheme concerned with renewable energy, greenhouse gas emissions reduction, energy efficiency or savings or the diversification of energy sources.
- (s) **shoulder period** means in respect of a supply address in New South Wales 9:00 am to 5:00 pm and 8:00 pm to 10:00 pm Australian Eastern Standard Time Monday to Friday, excluding public holidays.
- (t) **spot price** has the meaning given in the National Electricity Rules.
- (u) **supply address** is defined in clause 17.1.
- (v) **transfer** means a change in financial responsibility to AEMO for your supply address from one retailer to another.
- (w) **VEEC** means the Victorian energy efficiency scheme established under the Victorian Energy Efficiency Target Act 2007 (Vic).