

17 September 2007

Retailer of Last Resort Project
Essential Services Commission
L2/35 Spring St
Melbourne VIC 3000

By email : sarah.mcdowell@esc.vic.gov.au

**CUAC Submission
to the
Draft Decision on Amendments to Energy Retail Code & Electricity Customer Transfer
Code – Retailer of Last Resort & Assignment to Third Party**

The Consumer Utilities Advocacy Centre Ltd (**CUAC**) welcomes the opportunity to comment on the Essential Services Commission's (**ESC**) Draft Decision on Amendments to Energy Retail Code & Electricity Customer Transfer Code – Retailer of Last Resort (**RoLR**) & Assignment to Third Party (**the Draft Decision**).

CUAC is an independent consumer advocacy organisation, established to ensure the interests of Victorian electricity, gas and water consumers, particularly low-income, disadvantaged and rural consumers, are effectively represented in the policy and regulatory debate.

Although outside the scope of the Draft Decision we wish to flag a concern we have in relation to customers in financial hardship and RoLR events. As Victorian retailers currently are implementing new and extensive hardship policies we recommend that the ESC examines possibilities for ensuring that customers participating in hardship programs are assisted in the event of a RoLR. This is an issue that requires careful examination as it is complicated by privacy protections, differences in retailers' hardship programs and possible costs to the RoLR retailer (which could be passed through to affected customers). Also, as the nature of a RoLR event warrants quick and efficient transfers of affected customers, it would be challenging to ensure that individual customer assistance arrangements are delivered. That said, customers participating in hardship programs can be severely disadvantaged by a RoLR event if the new supplier is unaware of their circumstances and unable (or unwilling) to let customers continue with their special arrangements. CUAC recommends that the ESC examine the issue and investigate and consult on possible arrangements.

The remaining part of this submission addresses the proposed code amendments outlined in the Draft Decision.

Energy Retail Code Amendments

CUAC broadly supports the proposed amendments to the Energy Retail Code. Although clause 24.6 (b) (ii) A. allows for some ambiguity in stating that dual fuel customers subject to a single fuel RoLR event will continue in relation to the other fuel on the same terms and conditions in so far as they apply, we believe the inclusion of clause 24.6 (b) (ii) B. should be sufficient to ensure that customers have the ability to change supplier if dissatisfied with the terms and conditions offered. As the purpose of the RoLR arrangement is to ensure that customers have continuous access to supply, and should therefore be regarded as a transitional arrangement, we believe the proposed amendments adequately ensure that customers are not penalised and/or disadvantaged.

However, in relation to clause 24.6 (b) (ii) B which states that customers must terminate the contract within fourteen (14) days, we recommend that the ESC undertakes an assessment (after an event) of the appropriateness of the proposed timelines. We are unconvinced that fourteen days is sufficient time for customers to obtain information about their new contract, obtain and compare other offers, as well as make a decision about terminating or continuing the contract in relation to that other fuel. Moreover, we believe the appropriateness of this timeline will depend on the quality of the information provided to customers and the role the ESC takes in ensuring that customers subject to a RoLR event are adequately informed.

Transfer Code Amendments

CUAC supports the proposed amendments to the Transfer Code as we are of the view that the most important issue for consumers affected by a RoLR event is quick and efficient transfer. However, it is imperative to recognise that these changes to the Transfer Code only work in conjunction with the stipulation that tariffs remain unchanged for small customers in the event of a RoLR.

Please do not hesitate to contact me on 9639 79600 should you have any questions about this submission.

Yours sincerely

May Mauseth Johnston
Senior Policy Officer