

30 June 2014

Ms Barbara Blake
Compliance Officer, Energy
Essential Services Commission
Level 37,
2 Lonsdale Street
Melbourne VIC 3000

Submitted via email to: energy.submissions@esc.vic.gov.au

Dear Ms Blake,

Re: Variations to Standing Offer Tariffs Following the Removal of the Carbon Price – Position Paper

Lumo Energy thanks the Essential Services Commission's (Commission) for the opportunity to respond to the Variations to Standing Offer Tariffs Following the Removal of the Carbon Price Position Paper (the Position Paper).

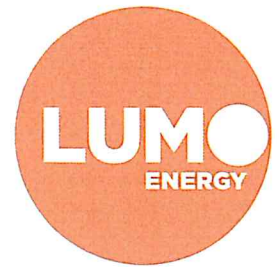
The Commission has proposed its preferred option in the Position Paper, to enable Victorian energy consumers to receive the benefits from the removal of the carbon price. Lumo Energy understands that the preferred option will:

- allow one permitted variation in the standing offer tariff, outside the parameters of the *Electricity Industry Act 2000* (EIA) and the *Gas Industry Act 2001* (GIA) to take into consideration the removal of the carbon price.
- provide flexibility to retailers that any previous or subsequent changes made under the EIA and/or GIA are not taken into account with the permitted variation for carbon.
- continue to require retailers to publish a standing offer price,¹ however, the Commission will not enforce the timeframe for the prices to take effect. This will allow standing offer customers to receive the price variation immediately after the publishing of the standing offer price.

On the basis of the understanding above, Lumo Energy supports the Commission's preferred option.

Lumo Energy would appreciate that the Commission release a compliance statement that is clear on the mechanism for the permitted variation. Additionally, Lumo Energy queries whether the Commission will also provide discretion on the

¹ In accordance with GIA section 42(3) and EIA section 35(3)



pursuit of enforcement action for the provision of information to smart meter customers² prior to the price variation for carbon.

Lumo Energy commends the Commission in promoting a nationally consistent approach to the variation of pricing following the removal of the carbon price.

Should you wish to discuss this submission further, please do not hesitate to contact me on 03 9976 5401 or Stefanie Macri, on 03 9976 5604.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized capital letter 'A' followed by a long horizontal line extending to the right.

Aneta Graham
General Manager Regulatory Affairs & Corporate Relations
Lumo Energy Australia Pty Ltd

² See Energy Retail Code, clause 26.4(b).