

13 September 2007

Retailer of Last Resort Project
Essential Services Commission
2nd Floor, 35 Spring St
MELBOURNE VIC 3000

Response to Draft Decision: Amendments to Energy Retail Code and Electricity Customer Transfer Code — Retailer of Last Resort and Assignment to Third Party

The Victorian Council of Social Service (VCOSS) is the peak organisation of the social and community services sector. VCOSS raises awareness of the existence, causes and effects of poverty and inequality and advocates for the development of a sustainable, fair and equitable society. VCOSS appreciates the opportunity to respond to the *Draft Decision: Amendments to Energy Retail Code & Electricity Customer Transfer Code — Retailer of Last Resort & Assignment to Third Party*.

Termination of contracts

VCOSS supports the clarification regarding automatic contract termination for customers experiencing a Retailer of Last Resort (RoLR) event. In particular, we support the proposal to allow customers on single dual fuel contracts to terminate the entire contract without penalty if one of the fuels is not affected by the RoLR event. Customer choice is a key tenet of energy policy, and customers should be able to make a new choice if they have been subjected to a RoLR event.

Estimated meter reads

VCOSS supports the provision to allow for large-scale customer transfers in connection with a RoLR or Assignment event to be based on estimated reads. However we note that following the introduction of Advanced Metering Infrastructure, the capacity for remote meter reads should obviate this.

Transfers without consent

VCOSS supports the provision to allow for customers to be transferred without explicit informed consent in connection with a RoLR or Assignment event. However we suggest the Commission consider whether the phrase “substantially all of the retailer’s retail sales business” requires further definition, either through a formula or a guideline, to avoid possible exploitation of the provision. Customer choice is a key

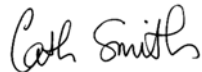
tenet of energy policy, and customers should not be denied their right to choose unless the circumstances are exceptional.

Closing comments

Recent events in the Victorian electricity market have demonstrated the importance of the RoLR Scheme in protecting energy consumers from loss of supply due to the collapse of a retail business. They have also highlighted the potential for energy retailers to use RoLR provisions for strategic business purposes. VCOSS urges the Commission to consider the customer welfare issues implicated in RoLR events and urgent trade sales and ensure that the RoLR Scheme, Energy Retail Code and Transfer Code are amended if necessary to continue to protect Victorian consumers.

In particular, recognising that customers transferred in connection with a RoLR event are subject to a financial impost, we urge the Commission to investigate the feasibility of minimising this cost, especially for concession households.

Yours sincerely



Cath Smith
Chief Executive Officer