

29 September 2009

By email: khayen.prentice@esc.vic.gov.au

Khayen Prentice
Essential Services Commission
Level 2, 35 Spring Street
Melbourne VIC 3000

Dear Ms Prentice

Amendments to the Energy Retail Code, Draft Decision - September 2009

The Consumer Action Law Centre (**Consumer Action**) welcomes the opportunity to provide comment on the Essential Services Commission's (the **Commission**) Amendments to the Energy Retail Code (the **Code**) Draft Decision September 2009 (the **Draft Decision**).

We acknowledge the consultation on the Draft Decision relates principally to two changes discussed in the Draft Decision, however, we believe it is also necessary to comment on the additional proposed amendments to the Code, as shown in the 'marked up' version of the Code attached to the Draft Decision.

Further, we strongly support further Code amendments in relation to the roll-out of advanced interval meters (smart meters) based upon the potential for significant consumer detriment that may result from the increased functionality of smart meters and the increased costs associated with their installation (meter charges) and the introduction of time of use tariffs, both network and retail.

Proposed amendment to clauses 8.1

We support the proposed amendments to clause 8.1 (a) to clarify that an unsatisfactory credit rating can be determined only with regard to any *relevant default* by the domestic customer.

However, the amount of \$120 is exceptionally low in the context of refundable advances, and does not represent even an average quarterly bill. On this basis, we consider that a retailer should not be able to request a refundable advance, which is a serious step to take, unless the amount outstanding is significant enough to warrant it. We recommend that the relevant default amount be revised, and raised, to a figure equivalent to 1.5 times the value of a quarterly bill, in relation to refundable advances.

Further, should a refundable advance be required, a customer must be offered the option to pay it by an instalment plan. An upfront payment of a lump sum when a consumer is already facing financial difficulties may unnecessarily place a consumer in further financial hardship or may not be possible for the consumer to make.

In addition to the changes outlined above, we also request an amendment to Clause 8.1 to make it clear that a request for a *refundable advance* is not grounds to delay connection.

Proposed amendment to clause 31 (c)

We support the proposed amendment to clause 31 (c). It is not possible for an individual consumer to assess these costs accurately and it is reasonable for the Commission to place a value on these costs following its detailed work on this issue.

Additional amendments proposed in the draft Code attached to the Draft Decision

We support the proposed amendments to Clause 4.2 (f), however, we believe that 'basis' needs to be defined given that this obligation is no longer set within a context specifying metrology procedures as was previously the case. Left undefined, 'basis' could just be the reason for making the substitution, for example "because actual meter data was lost", not the way the substituted data is calculated. As such we propose that the clause be amended to specify that it requires retailers to include information on how the substituted data was calculated.

We question, with concern, why Clause 12.2 (d) has been proposed for deletion without consultation. It is unclear why this amendment is being proposed or the reasons behind it as this has not been included in the Draft Decision. We oppose this deletion, as it explicitly removes the requirement for a retailer to refer a customer to a financial counsellor or provide energy efficiency advice. We request further consultation on this issue before a final decision is made.

Should you have any questions, please contact Janine Rayner on 03 9670 5088.

Yours sincerely

CONSUMER ACTION LAW CENTRE



Janine Rayner
Senior Policy Officer