

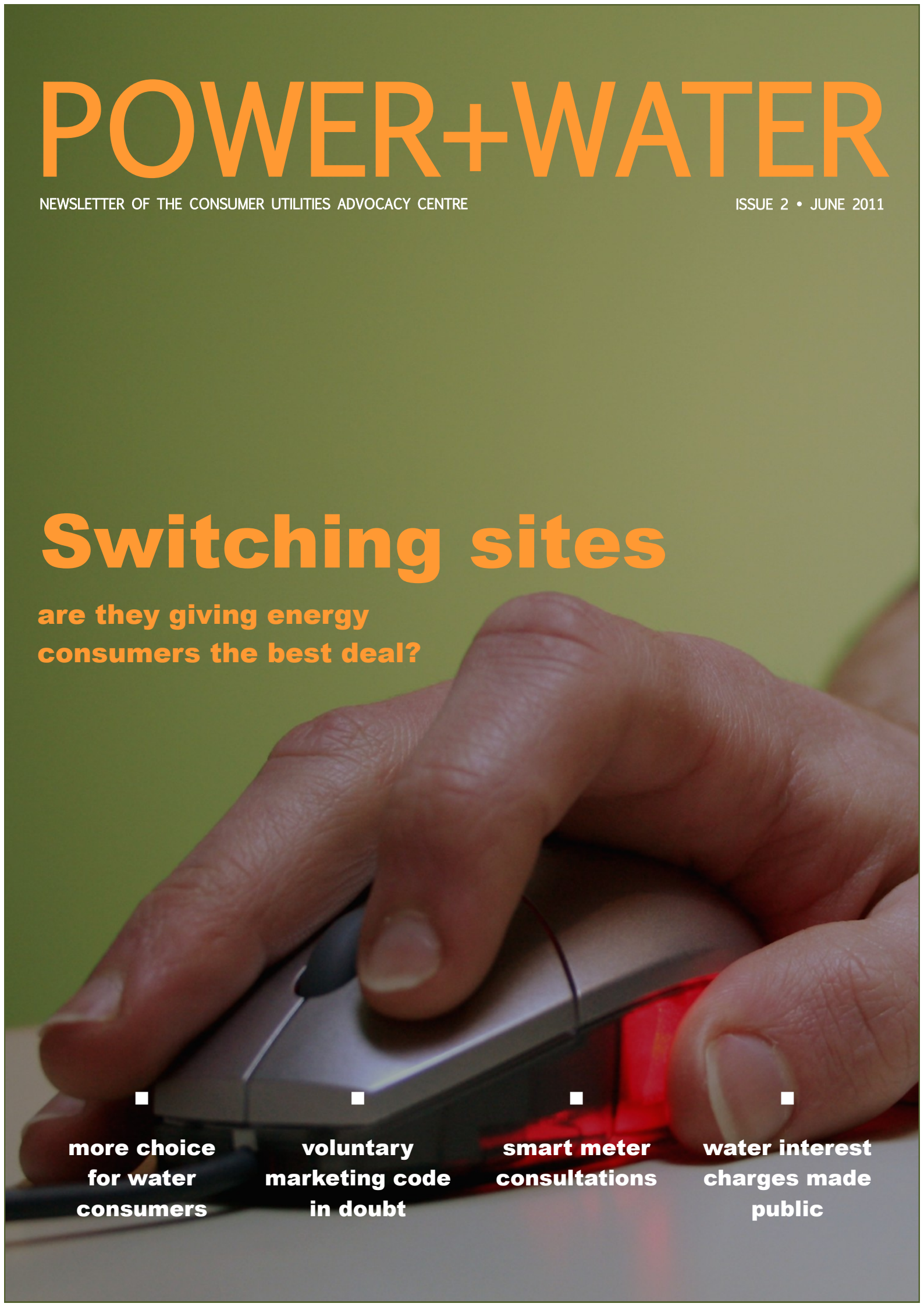
# POWER+WATER

NEWSLETTER OF THE CONSUMER UTILITIES ADVOCACY CENTRE

ISSUE 2 • JUNE 2011

## Switching sites

are they giving energy  
consumers the best deal?



■  
**more choice  
for water  
consumers**

■  
**voluntary  
marketing code  
in doubt**

■  
**smart meter  
consultations**

■  
**water interest  
charges made  
public**

# C O N T E N T S

Energy switching sites	3
Water interest charges	6
Voluntary marketing code	7
Choice for water consumers	8
Smart meter consultations	11
Bushfires taskforce	12
Energy distribution masterclass	13
CUAC news & submissions	14



CUAC is an independent consumer advocacy organisation which ensures the interests of Victorian electricity, gas and water consumers—especially low income, disadvantaged, rural and regional, and Indigenous consumers—are effectively represented in the policy and regulatory debate.

CUAC believes all Victorians have a right to:

- affordable and sustainable electricity, gas and water
- have their interests heard in policy and regulatory decisions on electricity, gas and water
- not be disconnected from electricity, gas and/or water due solely to an inability to pay

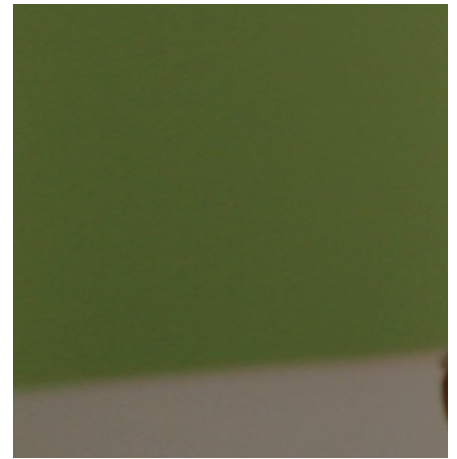
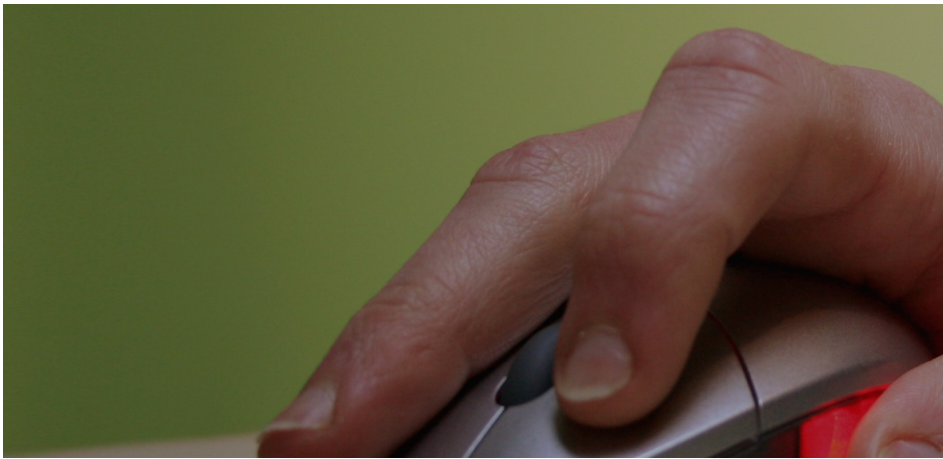
CUAC:

- Provides a voice for, and strengthens the input of Victorian utility consumers—particularly low income, disadvantaged, and rural and regional consumers—in the policy and regulatory debate
- Initiates and supports research into issues of concern to Victorian utility consumers, through in-house research and building the capacity of consumers through its Grants program
- Investigates and responds to systemic issues affecting Victorian consumers in the competitive electricity and gas markets and with regard to water.

Published by

Consumer Utilities Advocacy Centre Ltd.  
 Level 2, 172 Flinders St  
 Melbourne Victoria 3000  
 P: (03) 9639 7600  
 F: (03) 9639 8966  
 E: [info@cuac.org.au](mailto:info@cuac.org.au)  
 W: [www.cuac.org.au](http://www.cuac.org.au)  
 ACN: 100 188 752

*To subscribe to POWER+WATER, email  
[caitlin.whiteman@cuac.org.au](mailto:caitlin.whiteman@cuac.org.au)*



# Energy switching sites

## Are they giving consumers the best deal?

With energy prices rising, consumers are being told that there are savings to be made by shopping around for the best deal. Switching sites are heavily promoted as a useful tool for those consumers looking to save. CUAC's new research report investigates whether the sites live up to their claims.

A competitive retail energy market needs active consumers who have access to information that allows them to make choices in their best interests. Switching websites, which allow consumers to compare offers from different retailers, have an extremely important role to play in supporting consumers to find the best energy offer for their particular set of circumstances.

For switching sites to do this effectively, however, it is crucial that they provide accurate and transparent services to consumers so that consumers can make choices based on the best quality information.

### CUAC's study

To examine this issue, CUAC commissioned research evaluating the services of five privately operated switching websites as well as the Essential Services Commission's (ESC) *Your Choice* website. Each site was tested using a "mystery shopper" style process, with searches done on each site for hypothetical households in each of the five distribution areas and with three different energy consumption levels. The

resulting offers were compared to a standing offer contract.

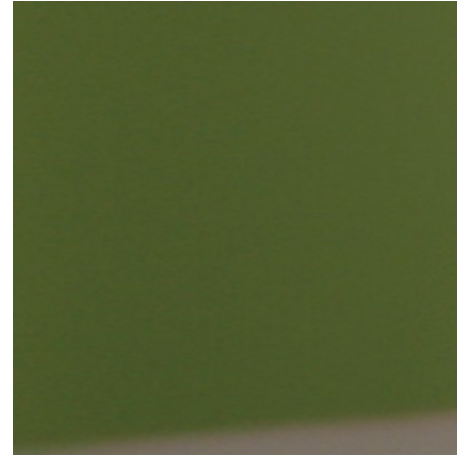
### Completeness and accuracy

The research found that switching sites are not always giving consumers the accurate information that they require. Often, the websites failed to provide complete information. A number of the privately operated switching websites provided inaccurate information.

While the search information entered was identical, there were wide differences across sites in terms of recommended retailer, recommended plan and estimated annual saving. Although all sites were able to identify and recommend a market offer that reduced the annual bill for a customer currently on a standing offer, in some cases the difference in annual savings across sites varied by more than \$200. In part, this was due to the fact that several websites did not include offers from all retailers.

Some sites included non-ongoing discounts and bonuses in annual bill calculations of offers available, making comparison difficult and giving a misleading view of the savings over time. It was also clear that some of the calculations made by the websites were incorrect, producing inaccurate results. Not one website could consistently provide a consumer with the best offer across all five distribution areas.





Given this, a consumer would need further information about the quality of the various switching websites to ensure that they were using a good service. This leads to consumers potentially missing out on hundreds of dollars of savings—despite having made the effort to shop around.

### **Transparency**

The research also uncovered information disclosure issues with some of the privately operated sites. Switching websites and services were not always transparent about the approach taken to calculating offers, or about any commission arrangements with participating retailers. For example, a number of websites failed to disclose whether they were independent from any energy provider. Such disclosure is important if independent observers and consumers are to trust the service that they are using.

### **Difficulties for gas consumers**

Consumers wishing to exercise their choice in the competitive retail gas market find it difficult to use switching websites. Not all sites provide a gas only comparison service and there are fewer gas retailers. This market concentration is a concern for market effectiveness in general, but is further compounded if access to switching services is constrained.

The accuracy of switching services for gas is also compromised because of the presence of seasonal tariffs, and the assumptions made by websites about a consumer's consumption profile, leading to potentially inaccurate or misleading results. The large number of gas distribution zones and the difficulties for consumers in identifying their zone adds further to the complexity for consumers.

### **The *Your Choice* website**

Fortunately for consumers, the *Your Choice* website, operated by the ESC, includes most of the cheapest offers in the market. However, at the time the research was conducted, the site suffered from poor useability and the absence of offers from three retailers - even though all retailers are legally required to list offers on the site. A further problem was that a number of the links to Price and Product Information Statements, which are required to be on the *Your Choice* website, were missing.

CUAC provided the ESC with a briefing on its findings in March. The ESC took up all of the relevant recommendations and has since held a number of meetings with CUAC to put in place a process to improve the site.

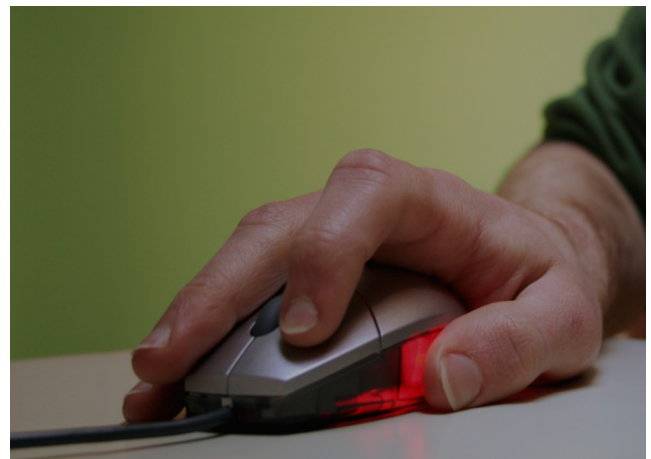
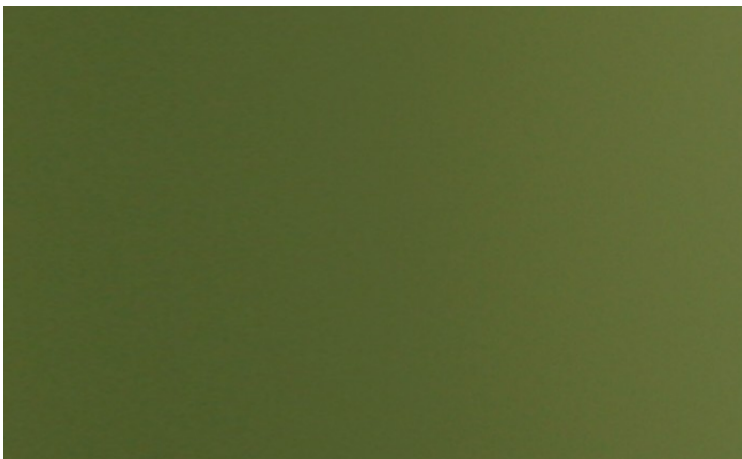
### **Savings can be made**

It is important to note that consumers can still make savings despite the problems identified in the switching websites. Savings are likely to be made, regardless of which website a consumer uses, if they switch from a standing offer to a cheaper market offer online. It still pays to shop around and the switching websites offer an avenue for this.

### **What else should happen?**

Nonetheless, given the issues identified in the research report CUAC is of the view that further actions should be taken by Government and regulators.

For example, CUAC has recommended that the Victorian Government initiate an investigation into consumers' ability to easily compare complex tariff structures. This should be supported by the



establishment of appropriate policy frameworks to assist consumer participation in the market.

Additionally, it is appropriate that comparison websites should adhere to appropriate standards for quality, accuracy and transparency. CUAC has recommended that a voluntary code for price comparison services should be established. This should aim to ensure that all switching websites achieve appropriately high standards. CUAC's recommended regulatory framework is based on a similar approach in the United Kingdom. CUAC believes that the government should act as an initiator and facilitator to get this process underway to assist Victorian consumers.

As an important resource for Victorian consumers in the competitive retail market, it is also important that the *Your Choice* website is promoted to Victorian consumers to assist them with their market choice with independent and reliable information.

CUAC has also recommended that consumer protection regulators examine the contents of the research report to ensure that providers of price comparison websites are compliant with the recently introduced Australian Consumer Law. CUAC has passed on the details of the research to the Australian Competition and Consumer Commission and Consumer Affairs Victoria.

A copy of the full report can be found on our website at

[www.cuac.org.au/database-files/view-file/5410/](http://www.cuac.org.au/database-files/view-file/5410/)

## Using *Your Choice* to assist clients

CUAC's report found that the ESC's Your Choice website included nearly all of the best retail offers available in the different distribution areas. Your Choice is also the only independent source of information on the different retail offers available to you or your clients. After engaging with CUAC on the findings of its research, the ESC will also be making improvements to the site to make it more user-friendly.

If you or a client are interested in looking for a cheaper energy deal, get a copy of one of your recent energy bills and go to the website. There should be a range of information on your rights and a tool to compare the different offers available. Remember to check whether there are any exit fees associated with switching from the current provider.

With switching sites that include discounts and special offers in their calculations, remember to check whether these discounts apply to all or only part of the contract period, and whether they are based on direct debit or 'pay on time' criteria.



[www.yourchoice.vic.gov.au](http://www.yourchoice.vic.gov.au)



## Water interest charges made public

For some years, CUAC has been advocating for changes to legislation that allows rural and regional-urban water businesses to charge interest on overdue accounts. New figures tabled in Parliament give a clearer picture of businesses' interest-charging activities, and will spur renewed advocacy efforts.

While Melbourne's water businesses are prohibited from charging interest on late payments, rural and regional-urban businesses fall under a different piece of legislation and have interest-charging powers.

In the past, CUAC has sought information about businesses' use of their interest charging powers from both the Department of Sustainability and Environment and the Essential Services Commission. However, this data has not previously been made available.

Following discussion of the issue at CUAC's *Urban water pricing in the consumer interest* forum, the matter was raised in Parliament, with details sought on which businesses charge interest; the rate of interest charged; and the amount of revenue raised in this manner.

The figures show that, of the 15 regional urban and rural water businesses with these powers, ten charge interest on overdue accounts, at rates of between 10 and 12.25 per cent. 2009-10 revenue from interest charges varied widely across businesses. Rural water businesses Goulburn Murray Water (\$854,670), Lower Murray Water (\$350,308) and Southern Rural

Water (\$318,566) generated the most revenue through interest charges. For the remaining businesses, revenue in 2009-10 ranged from a low of \$3,595 (South Gippsland Water) up to \$130,288 (Wannon Water). Barwon Water, Coliban Water, Gippsland Water, North East Water and Western Water did not charge interest over the 2007-08 to 2009-10 period.

Water business	2008-09		2009-10	
	rate	revenue	rate	revenue
Central Highlands	11.5%	\$87,446	10%	\$97,051
East Gippsland	10-12.25%	\$14,796	10-10.5%	\$15,578
Goulburn Murray	12.25%	\$565,596	12.25%	\$854,670
Goulburn Valley	11.5%	\$93,904	10%	\$90,881
GWM	12.25%	\$155,108	*	*
Lower Murray	11-12%	\$151,175	10%	\$350,308
South Gippsland	10%	\$2,564	10%	\$3,595
Southern Rural	12.25%	\$222,038	12.25%	\$318,566
Wannon	12.25%	\$92,951	12.25%	\$130,288
Westernport	11%	\$39,598	10%	\$34,363

\* Did not charge interest due to system implementation issues  
Source: Hansard, Legislative Council, 7 April 2011

The Victorian Government is reviewing the Water Act—an activity that stalled under the previous government. The Minister for Water, the Hon Peter Walsh MP, has indicated that he is aware of the inconsistency and that this may be an area where changes are made. CUAC will be re-doubling its advocacy efforts on the issue over the next few months, with the aim of seeing these unfair powers removed.





## Voluntary code in doubt

In the last issue of *POWER+WATER*, we reported on Energy Assured Limited's bid to introduce a voluntary code on door-to-door marketing. The Australian Competition and Consumer Commission has since released its draft determination on the code.

In late 2010, energy retailers applied to the Australian Competition & Consumer Commission (ACCC) for authorisation of a self-regulatory scheme on door-to-door marketing. CUAC made two submissions on the matter, highlighting weaknesses in the scheme and proposing that the ACCC not grant authorisation at this time.

In April, the ACCC issued its draft determination, which suggested that the code is underdeveloped. The draft determination identified a number of deficiencies in the scheme, among them:

- the consumer rights information to be given out by a sales agent under the code falls short of the regulatory obligations already in place, for example, under the Australian Consumer Law;
- consumers and consumer groups cannot make complaints about retailers that breach the code;
- the scheme's sanctions are not strong enough to deter non-compliance; and
- public accountability in reporting non-compliance with the scheme is inadequate.

### **Lack of material benefit for consumers**

Given these flaws, the ACCC suggested that the code was unlikely to deliver material benefit to consumers,

and proposed denying authorisation. According to the draft determination, 'the majority of public benefits asserted by EAL are either unlikely to be realised or do not extend or add to the consumer protection framework already provided for in the current regulatory environment.'

### **The way forward**

While CUAC welcomes industry initiatives to improve service delivery to consumers, including initiatives to improve marketing practices at the doorstep, these initiatives need to go beyond regulatory obligations already in place. They must also be developed in consultation with consumer organisations.

Industry has yet to demonstrate a firm commitment to engaging with consumers to improve the code. Nonetheless, CUAC is open to participating in genuine consultations aimed at developing a code which would improve door-to-door marketing standards above the current regulatory protections.

In the meantime, ongoing systemic compliance issues and market failure in this area mean that there is an urgent need for regulators to strengthen their monitoring and enforcement of existing marketing obligations.

In its further submission, CUAC has again called on the EAL to withdraw its current application and to work with consumers to address its shortcomings before resubmitting a revised code to the ACCC. Failing this, CUAC supports the draft determination, recommending that it be confirmed in the final determination, due in June.



## More choice for water consumers

Over the past two decades, consumers have seen a vast increase in choices across a range of sectors—one facet of a broader transformation in consumer markets being driven by regulatory reform, technological change and the opening of markets. The water sector may be the next to see the introduction of new products, services and tariffs. Increased choice has potential benefits—but have policymakers and industry thought through the implications?

Historically, water consumers have not been able—or expected—to choose from among a range of products, services and tariff options. Instead, water businesses have developed mostly uniform services and tariffs for their customers. Many voices in the sector are now arguing for greater consumer choice in these areas.

### Choice gains momentum

Following last year's election of a new coalition government, the Living Victoria Ministerial Advisory Council was charged with the task of developing a roadmap for urban water reform in Victoria. The resulting *Living Melbourne, Living Victoria Roadmap* identifies '[facilitating] greater customer choice and innovation' as a reform priority, suggesting that there are emerging opportunities for consumers to choose among products, charges and service levels.

In the Roadmap, the Council argues that customer choice would bring important benefits. More informed customers, they argue, will 'make decisions

that best suit their budget and lifestyle'. In turn, this will lead to 'much better use of all our water resources' and drive increased water sector innovation and productivity.

The idea of increased choice has also gained traction at the national level. The Productivity Commission's draft report on its inquiry into Australia's Urban Water Sector, released in April, puts forth increased choice as an objective for the sector and includes a number of draft findings and recommendations on the matter. The report recommends that 'more consumer choice in urban water tariff offerings should be available', and that consumer choice, together with an efficient price mechanism, be used in place of restrictions to manage demand.

Similarly, in its recent report *Urban Water in Australia: future directions*, the National Water Commission emphasises the importance of customer choice as a way of 'giv[ing] a greater voice to customers', improving value for money, promoting innovation and increasing customer satisfaction.

Before implementing potentially expensive reforms, however, CUAC is urging policymakers and regulators to scrutinise the case for choice more closely.

### Complexity

CUAC has some trepidation about reforms that will increase the complexity facing consumers. Increased complexity may be worthwhile or necessary in some circumstances, but government, regulators and businesses should avoid creating complex choices





that are out-of-proportion to both the potential benefits of an individual's optimal choice, and to consumers' motivation, knowledge and resources to navigate such choices.

If greater choice is to be introduced to the water sector, CUAC believes that this should be done carefully, with a relatively limited number of easy-to-compare options that have clear benefits for different types of consumers.

### **Consumer decision-making**

Most of the benefits that are expected to flow from choice can only result if a substantial number of consumers take the opportunity to make active, informed choices in their best interests. Because of this, the likely consumer response to diversified offerings is a crucial issue.

Should more choices be introduced, CUAC expects that the proportion of consumers actively choosing between tariffs and service offerings will be fairly low. Experimental research on consumer decision-making behaviour shows that consumers tend to stick with status quo options, particularly as the complexity of choices increases.

Experience in other sectors has tended to support the findings from experimental studies. For example, with the introduction of Super Choice in 2005, it was expected that many consumers would take the opportunity to change their superannuation fund. In fact, the actual switching rate was low.

Water is a relatively homogenous service. While low-income households can struggle to pay water bills, for many, the cost of water is comparatively small proportion of total income. Hence, the tendency to

avoid decision making by remaining with the default option is likely to be even greater in the water sector. Policymakers must take the likely level of active decision-making into account when weighing up the potential costs and benefits of increased choice.

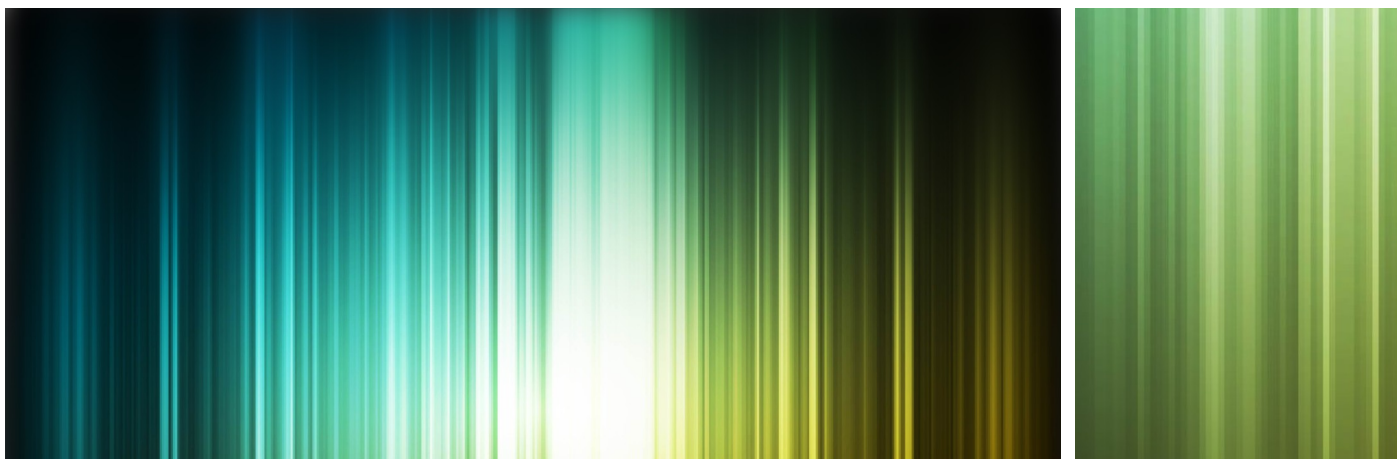
### **Consumer information and education**

Should more choices be made available to water consumers, this must also be accompanied by consumer information and education to support decision-making. The costs of developing and providing effective consumer information and education should be included in the overall analysis of the case for increased choice.

Effective consumer education needs to go beyond simply providing print and audio-visual materials, integrating a range of strategies and using messages customised to meet the needs of different consumer groups.

Consumer information and education strategies also need to take into account the requirements of disadvantaged consumers. As the Organisation for Economic Cooperation and Development (OECD) notes in its Consumer Policy Toolkit, while consumers today are better educated overall than in the past, 'many still lack the arithmetic and literacy skills that are required in today's more complex, information-intensive marketplace'. For such consumers, information is often best conveyed interpersonally.

As the debate about choice continues, CUAC will advocate for a comprehensive and realistic consideration of the potential benefits and pitfalls of consumer choice in water. We will also advocate for proper implementation, including consumer information and education, if these reforms are pursued.



## Smart meters consultation

With a great deal of community confusion over the mandatory roll-out, smart meters became a contentious issue in last year's state government election. In response to community concerns, during the election campaign the Liberal-National Coalition committed to a full and transparent review of the roll out of smart meters. With the review now underway, input is being sought from consumers.

Upon election, the new Government commenced its review of the smart meter roll-out. As part of the review, the Government will make a decision on whether the roll out should proceed and, if so, what pre-conditions will need to be met.

### **DTF consultation paper**

As part of this review process, the Department of Treasury and Finance (DTF) has released a public consultation paper seeking views from the community about the smart meter program. The DTF will be conducting a cost-benefit analysis in relation to the continuation of the smart meter program, as well as examining options to improve benefits realisation.

The DTF's public consultation paper, released on 31 May, seeks community views on:

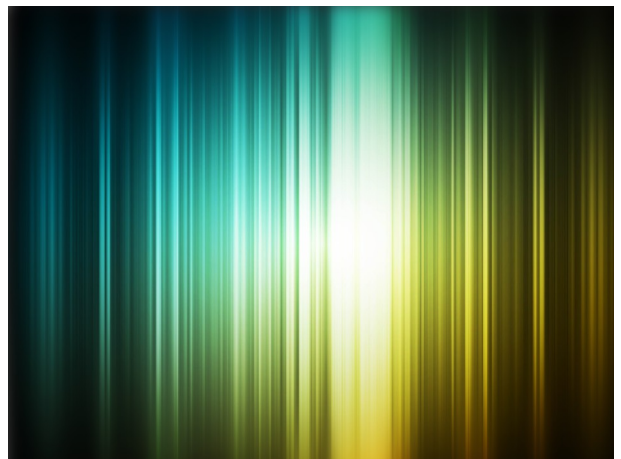
- estimating the identified costs and benefits of the program;

- realising the identified benefits of the program; and
- future options to maximise and bring forward the net benefits to consumers.

Specifically, the Department is seeking consumer views on whether there should be any changes to the assumptions or identified benefits to the most recent cost benefit analysis, which was conducted by Oakley Greenwood for the previous Victorian Government in August 2010. DTF is also seeking a community perspective on whether any issues have emerged more recently that impact on the cost benefit equation identified by Oakley Greenwood.

The Oakley Greenwood paper concluded that the benefits of the roll out outweighed the costs, even if the benefits turned out to be at the lower end of their estimates. Interestingly, the study found that the distribution price setting process, administered by the Australian Energy Regulator (AER), needed to be sufficiently robust to ensure benefits were passed back to consumers. Professor Ross Garnaut highlighted potential weaknesses in this distribution price setting process in his recent climate change white paper update *Transforming the electricity sector*. CUAC has supported further analysis of the strength of the regulatory system and favours additional consideration of this in the DTF analysis.

CUAC is pleased that the review addresses a broad range of issues, rather than having a singular focus on cost efficiency. The review has identified consumer equity issues as important in examining the benefits to



consumers over time, and in an effort to minimise unintended consequences. In addition, the review is calling for specific input on consumer protections. Other issues that DTF are seeking views on include:

- approaches to providing information and other tools to consumers to assist them with the transition to smart meters;
- how to ensure benefits are, in fact, shared between industry and consumers.

### **Advocacy on smart meters**

As part of the review, the Department will prepare advice for the Minister on potential modifications to the scope, timing or other aspects of the program, in order to maximise the benefits across the range of different consumer groups.

CUAC will be preparing a submission to this consultation paper in coming weeks. If you or your organisation would also like to make a submission, the full consultation paper can be found at <http://www.dtf.vic.gov.au/CA25713E0002EF43/pages/df-projects-review-of-the-advanced-metering-infrastructure-program>. Submissions should be sent to [amireview@dtf.vic.gov.au](mailto:amireview@dtf.vic.gov.au) before 21 June 2011.

CUAC is aware that many groups in the community may wish to provide responses to the paper, but do not have the resources to do so in such a quick turnaround period. We would be happy to hear from organisations who want to provide their issues or concerns, so that these can be taken into account in our submission.

To give us your feedback, contacting David Stanford CUAC on [david.stanford@cuac.org.au](mailto:david.stanford@cuac.org.au)

### **Important smart meter facts for consumers**

Smart meters continue to be installed in Victoria while the Government conducts its review of the policy. Consumers will pay approximately \$73 extra in 2011 to cover the costs of smart meters, over and above what they would have paid in the absence of smart meters. Consumers pay these charges regardless of whether they have received the meter yet or not.

Under the timetable established by the previous government, smart meters were to be rolled out progressively over the four years 2010-13. This may change depending on the current government's decision on the future of the roll out.

At present, there is a moratorium on consumers being mandatorily moved to time-of-use tariffs (under which consumers are charged different prices at different times of the day). This means that consumers can stay with their existing tariff, which may be either a single rate for electricity, or a two-rate tariff that includes an off-peak component for electric hot water.

The smart meter roll out is being undertaken by distribution companies, not the energy retailers. Consumers wanting more information can call **131 186** or go to <http://new.dpi.vic.gov.au/smart-meters>

Consumers with complaints about smart meters or any other issue associated with the energy industry should first contact their provider and, if the complaint is not resolved, should contact the Energy and Water Ombudsman Victoria on **1800 500 509** or go to [www.ewov.com.au](http://www.ewov.com.au)





## Taskforce releases bushfire safety paper

The Powerlines Bushfire Safety Taskforce has released its consultation paper on approaches to mitigating the risk of catastrophic bushfire from the state's electricity assets.

In the wake of 2009's Black Saturday bushfires, which cost 173 lives, the Victorian Government established a Royal Commission to investigate the fires and approaches to preventing such a tragedy in the future. The Royal Commission found that five of the fifteen major fires they investigated were started by the electricity system.

The Commission made a series of recommendations aimed at reducing the bushfire risk from the electricity supply system. Most of these recommendations, including those dealing with better power line inspection and vegetation management, were accepted by the Government. Two recommendations were referred for further analysis to the Powerline Bushfire Safety Taskforce (the Taskforce).

The Taskforce is examining the consequences of the Royal Commission recommendation to progressively replace all Single Wire Earth Return (SWER) and 22kv powerlines in Victoria with either underground or aerial bundled cable. This would substantially lessen the risk of bushfires, but is estimated to be very expensive, potentially doubling the average consumer's quarterly power bill.

The Taskforce is also examining the consequences of disabling the 'auto reclose' function on SWER and 22kv powerlines during periods of high bushfire risk. This would result in certain sections of the energy

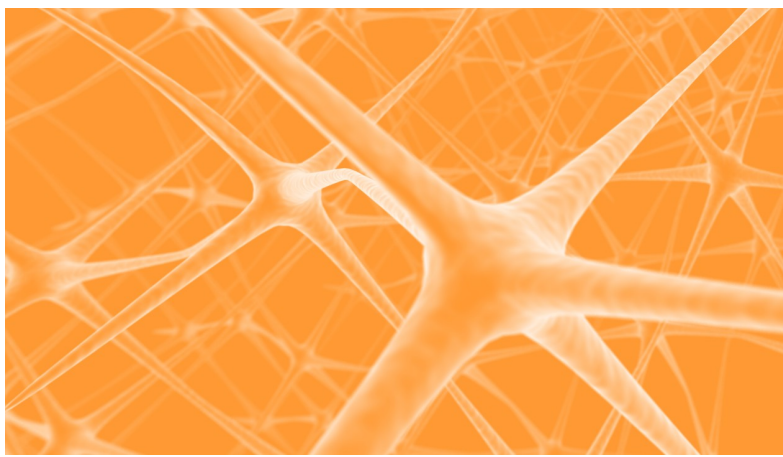
network being without electricity supply in the event of a fault, until the line has been inspected. This could result in blackouts of longer duration during high fire risk times.

The Taskforce has found that the recommendation to underground all powerlines is prohibitively costly and an alternative package of measures could reduce the risk of bushfires at an acceptable cost. Such a package of measures would include:

- the replacement of some powerlines with underground or aerial-bundled cable but not to the extent recommended by the Royal Commission;
- further improvements to inspection and maintenance;
- the use of new ways of operating and controlling the energy network to mitigate the risk of fire start; and
- the removal of some consumers from the network and the provision of standalone power supplies to these consumers.

CUAC is supportive of the Taskforce's approach to developing effective solutions at an acceptable cost. CUAC believes that minimising fire risk from powerlines is essential, but the balanced approach advanced by the Taskforce will achieve this at a reasonable price and in the context of rising energy prices. We will be engaging with the Taskforce and the Victorian Government to ensure the costs of any distribution system reforms are fairly distributed across the community and do not unduly burden vulnerable consumers.

Submissions close Friday 24 June.



## Event: Energy distribution masterclass

Distribution network charges typically account for around 40 per cent of a small consumer's electricity bill, and more for gas consumers. These charges are approved in each jurisdiction every five years by the Australian Energy Regulator.

CUAC and the Consumer Action Law Centre have received funding from the Consumer Advocacy Panel to hold a masterclass designed to build the capacity of consumer advocates to represent the interests of their constituents in relation to distribution network pricing. The masterclass will identify key areas of influence and enable more targeted advocacy within and outside of existing regulatory processes.

The masterclass will comprise three sessions:

### **Session 1: How did we get here? Today's distribution regulatory environment**

The first session will look at the current regulatory framework, how we arrived at the system we have, and what the key aspects of the regulatory decision making processes are that we need to focus on in our advocacy efforts.

### **Session 2: After the AER decision**

The second session will assess the impacts of the AER decision and subsequent outcomes for consumers, including prices and the appeals process.

### **Session 3: Advocacy opportunities for best practice regulatory framework / regulations - the way forward**

In the final session, discussion will start to identify where our advocacy efforts should be applied, in the

pursuit of legislative/regulatory reform, and for what outcome for consumers.

### **Presenters**

- John Tamblyn, former Australian Energy Market Commission Chair and former Regulator General
- Matthew Rennie, Ernst & Young
- Jo Benvenuti, CUAC
- Catriona Lowe, Consumer Action Law Centre
- *and more to be confirmed...*

### **EVENT DETAILS**

#### **Date**

Wednesday, 22 June, 2011

#### **Time**

9:00am - 4:40pm

#### **Venue**

The Royal Society of Victoria  
9 Victoria Street, Melbourne

#### **Costs**

Attendance at the event is FREE  
Travel and accommodation costs will be covered for consumer advocates attending from interstate.

#### **Registration**

online at  
[www.energydistributionmasterclass.eventbrite.com/](http://www.energydistributionmasterclass.eventbrite.com/)

#### **Contact**

[janine@consumeraction.org.au](mailto:janine@consumeraction.org.au)



## CUAC news—Merits review update

In the last edition of POWER+WATER, CUAC reported on the forthcoming appeal against the electricity distribution price determination by the five Victorian electricity distribution businesses. In that edition, we outlined our intention to intervene in the appeals process to ensure that the consumer interest was represented in the proceedings before the Australian Competition Tribunal.

Unfortunately, owing to a number of factors, CUAC has had to withdraw from that process. However, the appeals by the businesses will go ahead and be heard by the Tribunal between the 5-17 July. At stake is potentially several hundred million dollars of revenue from the businesses for the next five years. It is expected that the Australian Energy Regulator will defend its original decision before the tribunal. CUAC is pleased that the Minister for Energy, the Hon Michael O'Brien MP has sought to intervene to represent Victorian consumers' interests in the merits review process.

CUAC, along with the Consumer Action Law Centre, has prepared a report about our experience with the appeals process. In that report we canvass some of the problems with the appeals process as it works at present. Further details of this report's findings will be included in the next edition of POWER+WATER.

## CUAC Submissions, January—April 2011

CUAC made the following submissions between January—April 2011:

- Australian Competition and Consumer Commission — Energy Assured Limited Applications for Authorisation A91258 and 91259
- Australian Competition and Consumer Commission—Energy Assured Limited Applications for Authorisation A91258 and 91259, Interested party consultation in relation to the amended application
- Australian Competition and Consumer Commission— ACC Draft Determinations Applications for authorisation lodged by Energy Assured Limited in respect of a scheme to self regulate door-to-door sales
- Essential Services Commission—Smart Meters Regulatory Review, Capacity control and verifying bills issues paper
- Australian Energy Regulator—Consultation paper and response to submissions, Retail Exemptions, Exempt Selling Guideline
- Australian Energy Regulator—AER's approach to compliance with the National Energy Retail Law, Rules and Regulations Draft Decision; AER Compliance Procedures and Guidelines; Statement of Approach
- Australian Energy Regulator—Guidance on AER approval of customer hardship policies
- Essential Services Commission—Retailers' obligations to customers, Energy Retail Code amendments consultation paper
- Essential Services Commission—Draft statement of Intent to cease issuing certificates of opinion on exempt electrical activities consultation paper
- Australian Energy Regulator—Draft AER Compliance Procedures and Guidelines
- Living Victoria Ministerial Advisory Council— Living Melbourne, Living Victoria Roadmap

All CUAC public submissions can be viewed on the CUAC website at [www.cuac.org.au](http://www.cuac.org.au)