



2 September 2022

Mr Warwick Anderson
General Manager, Network Pricing
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Via email to AERpricing@aer.gov.au

Dear Mr Anderson,

Re: Annual pricing process review – Stage 2 – Position paper

Simply Energy welcomes the opportunity to provide feedback on the position paper for the Australian Energy Regulator’s (AER) review of the annual pricing process for electricity distribution network service providers (DNSPs).

Simply Energy is a leading energy retailer with approximately 700,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. Simply Energy is owned by the ENGIE Group, one of the largest independent power producers in the world and a global leader in the transition to a zero-carbon economy. As a leading retailer focused on continual growth and development, Simply Energy supports the development of effective regulation to facilitate competition and positive consumer outcomes in the market.

In this submission, Simply Energy provides feedback on the content and presentation of pricing proposals.

The pricing proposals could more simply display tariff changes from year-to-year

The current formatting of pricing proposals and pricing models are challenging for our teams to analyse in a timely manner, particularly in relation to identifying missing data or data mismatches. The current formatting of pricing proposals often also create challenges in assessing whether a tariff is existing, new, or has an altered structure. We consider that a table that simply described the change in a tariff from one year to the next would significantly improve our internal processes. We would support the pricing model comprising of the following headings:

Tariff type	Tariff code	Rate type (usage/supply charge)	Existing tariff (yes/no)	Rate/price (year t-1)	Rate/price (year t)
-------------	-------------	---------------------------------------	-----------------------------	--------------------------	------------------------

To complement the above, we would also suggest that DNSPs produce separate tables that list:

- all obsolete tariffs; and
- all tariffs where there is a change in structure of the tariff in ‘year t’.

Other formatting changes would significantly improve our assessment of pricing proposals

Simply Energy has identified several other issues with the current formatting of pricing proposals, which hinder our ability to assess the proposals in a timely way and action changes to tariffs:

- Some DNSPs provide pricing proposals in both PDF and Microsoft Excel format, whereas others only provide a PDF. The ability to access a Microsoft Excel format makes it much easier for us to transfer data into our own systems. We consider all DNSPs should be required to provide pricing proposals in both PDF and Microsoft Excel format;
- Currently several DNSPs alternate between cents and dollars as a unit of measurement in the pricing proposals. Requiring DNSPs to choose a single unit-of-measurement (either dollars or cents) would simplify our assessment of pricing proposals;
- We would appreciate more clear and detailed calculation methodologies and explanatory information when DNSPs introduce new tariffs in a pricing period; and
- When new tariffs are introduced in a pricing period, we would also appreciate additional notice and explanation of these changes, so that we (and all retailers) have adequate time to prepare and make changes in our system.

Concluding remarks

Simply Energy welcomes further discussion in relation to this submission. To arrange a discussion or if you have any questions please contact Matthew Giampiccolo, Senior Regulatory Adviser, at

[REDACTED]

Yours sincerely

[REDACTED]

James Barton
General Manager, Regulation
Simply Energy