

30 June 2011

General Manager  
Markets Branch  
Australian Energy Regulator  
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Thank you for the opportunity to comment on the “*Draft AER Retail Pricing Information Guideline*”.

The Energy & Water Ombudsman NSW investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

EWON believes that the draft guideline will provide the necessary information to achieve the aim expressed in the *Notice of Draft Instrument* of ensuring that customers have access to clear, relevant and consistent information to enable them to make informed choices about energy offers.

EWON has only one matter on which we wish to comment.

### *2.3.1 Fees*

EWON receives frequent customer complaints about the practice of some second tier retailers requesting disconnection of a site when a customer closes an account, and passing on this (network) charge to that customer. Disconnecting supply on moving out has not been standard industry practice in NSW, so customers are unaware of this unless specifically informed. Customers complain to EWON that they were not told about the disconnection fee in advance and that they would not have agreed to a contract if they had been made aware of it.

It is EWON’s view that all retail and network fees and charges should be separately disclosed to customers in energy offers and in advance of signing a contract. This is particularly true of those fees that may be charged automatically by the retailer, as opposed to fees for services that may have been requested by the

customer. Some of these fees can be quite significant, and can negate the benefit of any discounts offered to the customer.<sup>1</sup>

EWON made this point strongly to IPART in their consultation process around the establishment of the IPART price comparison website. IPART accepted this argument, and any fees associated with closing an account are included in the information provided about particular offers.

To address the above concerns EWON proposes that account closure fees be explicitly included in the “Key Fees” category along with account establishment fees, exit fees/early termination fees (applicable to market offer contracts only), late payment fees, disconnection fees and reconnection fees.

If you would like to discuss this matter further, please contact me or Chris Dodds, Senior Policy Officer on 82185250.

Yours sincerely



Clare Petre  
Energy & Water Ombudsman NSW

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<sup>1</sup> The current charge for disconnection of electricity at the meter box is \$88.00, per the New South Wales Distribution Determination 2009–10 to 2013–14, Appendix H at p 456.