



## Listen Assist Resolve

16 February 2012

Mr Chris Pattas  
General Manager  
Australian Energy Regulator  
GPO Box 520  
**MELBOURNE VIC 3001**

By email: [AERInquiry@aer.gov.au](mailto:AERInquiry@aer.gov.au)

Dear Mr Pattas

### **Re: AER's Draft - Connection Charge Guidelines: For Accessing the Electricity Distribution Network**

Thank you for the opportunity to provide further comment<sup>1</sup> on the Australian Energy Regulator (AER) Draft - Connection Charge Guidelines: For Accessing the Electricity Distribution Network (the Guideline). EWOV has the following additional comments regarding the Guideline.

#### **Extension Pioneer Schemes**

EWOV notes that section 5A.E.3(c)(6) of the National Electricity (Retail Connection) Amendment Rules 2010 (Chapter 5A), requires the AER to create the Guideline. This section states that the Guideline must describe the method for calculating the amount of refund with respect to pioneer schemes. While Section 6 of the draft Guideline does describe the method for reimbursing an 'original customer' of a pioneer scheme, it only requires that this refund be provided to the 'first connection applicant' that required the extension<sup>2</sup>.

Current regulations allow for this reimbursement to be provided to both the original customer and 'other new customers' that make a contribution to the cost of the new works or augmentations<sup>3</sup>. The new Guideline provides scope for distribution businesses to develop pioneer schemes under clause 6.1.1, however this is only in the context of clause 6.1.2, which

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<sup>1</sup> EWOV's initial comments made to the AER on 8 August 2011:

[http://www.aer.gov.au/content/item.phtml?itemId=748937&nodeId=db6e81acecb6ad9d1f427ef22b63da11&fn=Submission%20-%20EWOV%20\(VIC\).pdf](http://www.aer.gov.au/content/item.phtml?itemId=748937&nodeId=db6e81acecb6ad9d1f427ef22b63da11&fn=Submission%20-%20EWOV%20(VIC).pdf)

<sup>2</sup> As defined under the Guideline, Definition section page 24.

<sup>3</sup> Clause 3.4.4 of the Electricity Industry Guideline Number 14 states that if a new customer contributes in any way to the capital costs of any new works or augmentation then the distributor must allow a rebate to the pioneer customer as well as any other new customers who have also made such a contribution.

limits refunds to 'original customers'. In the absence of any regulatory obligation to do so, EWOV expects that distribution businesses will be unlikely to extend the pioneer schemes to cover subsequent customers.

*EWOV recommends an amendment to the Guideline to allow for all customers contributing to a pioneer scheme to be entitled to reimbursement, whether original or subsequent.*

## **Dispute Resolution**

Section G.3 of Chapter 5A describes the AER's ability to determine whether a relevant dispute could be effectively resolved by an alternative means, i.e. the jurisdictional Ombudsman. It must be noted that EWOV is restricted by the terms of its Charter about the types of complaints that falls into its jurisdiction. For example, EWOV cannot investigation complaints about the setting of prices or price structures<sup>4</sup>.

As such, EWOV only addresses issues or the parts of a customer's complaint which may be covered under our jurisdiction<sup>5</sup> e.g. whether a price structure has been correctly applied in the customer's specific circumstances, and not how the price structure was established.

*EWOV can discuss this issue further with the AER and other jurisdictional Ombudsmen schemes.*

We trust the above comments are helpful. Should you require further information or have any queries, please contact Belinda Crivelli, Senior Research and Communications Officer, on (03) 9672 4460 or at [Belinda.Crivelli@ewov.com.au](mailto:Belinda.Crivelli@ewov.com.au).

Yours sincerely



**Cynthia Gebert**  
**Energy and Water Ombudsman (Victoria)**

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<sup>4</sup> Section 4.2 (a) of EWOV's Charter.

<sup>5</sup> Section 3 and clause 4.1 of EWOV's Charter.