



## Listen Assist Resolve

29 June 2011

Sandhya Jaishankar  
Markets Branch  
Australian Energy Regulator  
GPO Box 520  
**Melbourne VIC 3000**

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

Dear Ms Jaishankar

### **Re: Australian Energy Regulator Retail Pricing Information Guidelines Draft Instrument**

Thank you for the opportunity to provide further comment on the Australian Energy Regulator (AER)'s Performance Reporting Procedures and Guidelines (draft instrument) in addition to our previous submissions dated 28 October 2010 (AER's Position Paper) and 27 April 2010 (AER's Issue Paper).

As outlined in our previous comments, the Energy and Water Ombudsman (Victoria) (EWOV) agrees that it is important to help consumers understand the price and non-price elements of energy products to provide them with a 'like for like' comparison.

#### **2.1 Energy Price Fact Sheet**

EWOV maintains that further clarification is required to explain whether the Energy Price Fact Sheet (Fact Sheet) is meant to fulfil the purpose of a Price and Product Information Statement (PPIS)'s offer summary, a disclosure statement after formation of the contract, or both. It is our belief that the offer summary and written disclosure statement contain specific information that would be difficult to cover in one document.

#### **2.2 Price information requirements**

EWOV continues to support a combination approach (providing both unit pricing and annual cost estimates) for representing retail offer information. Although concerns were raised about the potential for annual cost estimates to be misleading and inaccurate, it would assist customers to make the following:

- their own calculations based on their actual usage and the standardised unit price
- comparisons between retailers' offers more easily.

### 3.3 Presentation of other retail offer information

The AER extended the timeframe to supply retail offer information to 10 business days after retailer submissions raised concerns with the previous timeframe of five days.

The Energy and Water Ombudsman New South Wales (EWON) had previously raised their concerns about such a timeframe on the grounds that, if a customer requests the Fact Sheet it is a good indication that they are not yet in a position to make a decision<sup>1</sup>. EWON suggested that additional wording be included so that the retailer suspends marketing activity until the Fact Sheet is received. It would be reasonable for a retailer to re-contact the customer, after receiving the Fact Sheet, to confirm whether they wish to proceed with a contract. EWOV agrees with EWON's suggestion to ensure every opportunity to obtain explicit and informed consent is sought and that cooling-off rights do not expire before this information is received.

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



**Fiona McLeod**  
**Energy and Water Ombudsman (Victoria)**

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<sup>1</sup> Page 6 of EWON's October 2010 submission regarding the *AER Retail Pricing Information Guideline Position Paper*.