



825 Ann Street, Fortitude Valley QLD 4006
PO Box 264, Fortitude Valley QLD 4006

ergon.com.au

27 March 2015

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

Email: NSWACTelectricity@aer.gov.au

Dear Mr Pattas

RE: Consultation Paper – Alternative approach to the recovery of the residual metering capital costs through an alternative control services annual charge

Ergon Energy Queensland (EEQ) welcomes the opportunity to respond to the Australian Energy Regulator's (AER) consultation paper on its alternative approach to the recovery of the residual metering and residential capital costs through an alternative control services (ACS) annual charge.

As a member of the Energy Retailers Association of Australia (ERAA), EEQ supports the positions articulated in its submission.

In addition, EEQ wishes to emphasise the following issues that relate the operationalisation of a new charge on customer bills from 1 July 2015.

Whilst EEQ strongly supports the merits of improved transparency of information for customers to support effective decision making, the separation of metering costs into potentially multiple ACS charges to apply from 1 July 2015 provides little time to develop an effective communication strategy to educate and inform customers. For EEQ, all of our customers are billed based on a Standard Retail Contract and we are unable to bundle charges for customers.

In particular, in Queensland, the draft Queensland Competition pricing decision is showing that there will be a relatively high increase in low-consumption residential customer's bills with the rebalancing between fixed and variable charges. The addition of potentially two new billing elements will be perceived by many customers as a further cost imposition. For this reason, it will be vital to develop effective communication material so assist in managing the provision of information on a complex subject matter.

We ask that the AER takes into consideration the impact on customers in developing its final decision on the both mechanism of the ACS charge and the timing of its introduction.

Should you wish to discuss any of these matters, please contact Michelle Norris,
Manager, Retail Regulatory Compliance Team on 07 3851 6222 or
Michelle.Norris@ergon.com.au

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Mark Easton', written in a cursive style.

Mark Easton
GM Retail Strategy & Regulatory Affairs

Ergon Energy Retail

Phone: 07 3851 6395

Email: mark.easton@ergon.com.au