



Notice of draft instrument
AER Retail Pricing Information Guideline

May 2011

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Amendment record

Version	Date	Pages

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Retail consultation procedure

This notice and the attached draft AER Retail Pricing Information Guideline (Guideline) have been published in accordance with the retail consultation procedure set out in r. 173 of the National Energy Retail Rules (Retail Rules).

The AER invites comments on the attached notice and Guideline. Responses to this consultation will inform the AER in its approach to price disclosure under the proposed new retail framework and the development of its final guideline.

This is the final stage of the AER's consultation on these instruments. As advised in Standing Committee of Officials Bulletin No 190 of 21 March 2011, all activities carried out by the AER prior to the commencement of the National Energy Retail Law (Retail Law) and Retail Rules (such as consultation, making instruments and decision-making) will be supported by appropriate transitional provisions enacted by participating jurisdictions to ensure instruments and decisions made as a result of these activities are valid and take effect on commencement of the National Energy Retail Law and Rules.

Written submissions on this notice and the draft Guideline are invited by **1 July 2011**.

Submissions can be sent electronically to: AERInquiry@aer.gov.au with the title "Draft AER Retail Pricing Information Guideline – attn Sandhya Jaishankar" or by mail to:

General Manager
Markets Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Submissions provided by email do not need to be provided separately by mail.

PLEASE NOTE:

The AER prefers that all submissions be publicly available to facilitate an informed and transparent consultative process. Submissions will therefore be treated as public documents unless otherwise requested, and will be placed on the AER's website (www.aer.gov.au). Parties wishing to submit confidential information are asked to:

- clearly identify the information that is subject of the confidentiality claim
- provide a non-confidential version of the submission for publication, in addition to the confidential one.

The AER does not generally accept blanket claims for confidentiality over the entirety of the information provided. Such claims should not be made unless all information is truly regarded as confidential. The identified information should genuinely be of a confidential nature and not otherwise publicly available.

In addition to this, parties must identify the specific documents or relevant parts of those documents which contain confidential information. The AER does not accept documents or parts of documents which are redacted or 'blacked out'.

For further information regarding the AER's use and disclosure of information provided to it, please refer to the *ACCC–AER information policy: the collection, use and disclosure of information*, which is available on the AER website under 'Publications'.

1 Requirement to develop the Guideline

Under the Retail Law, the AER may make and amend Retail Pricing Information Guidelines.¹ The purpose of this Guideline is to provide guidance to retailers in the presentation of standing offer prices² and market offer prices,³ thereby assisting small customers⁴ to consider and compare standing offer prices and market offer prices offered by retailers.

Most jurisdictions⁵ in the National Energy Market have introduced full retail contestability, which allows consumers to enter into an energy supply contract with a retailer of their choice.

Consumers play a vital role in maintaining efficient markets through their choices. Those choices encourage retailers to provide innovative retail offers and participate in an open and competitive market. However, for consumers to engage effectively in retail markets, they need to be aware of choices available to them. They also need to be able to access relevant information to be able to make informed switching decisions to find the best offer for their circumstances. This will also encourage greater competitive tension in energy retail markets.

In an effectively functioning competitive market, consumers would make switching decisions that would promote market efficiency. However, consumer research conducted by Wallis has revealed that:

[T]here is evidence that trying to compare prices is difficult for customers and this is likely to become more complicated as innovations such as Smart Meters are introduced.⁶

Despite retailers engaging with customers, there is evidence that customers are making inefficient switching decisions. For instance, surveys conducted for the Independent Pricing and Regulatory Tribunal (IPART) in New South Wales found that almost 70 per cent of households that had entered into a negotiated contract did so because they thought it would lead to lower electricity bills. However, a 2008 survey found that only 33 per cent felt that their bills had gone down and 18 per cent felt that their bills had increased.⁷

The AER considers that these ineffective switching decisions are partly a result of limited and confusing information on retail offers being made available to customers. For instance, research conducted by Wallis revealed that:

¹ See s.61, National Energy Retail Law

² A standing offer is an offer that is provided to a small customer, for or in connection with the sale and supply of energy, under a standard retail contract.

³ A market offer is an offer that is provided to a small customer, for or in connection with the sale and supply of energy, under a market retail contract.

⁴ A small customer is a customer who is a residential customer or a business customer who consumes energy at business premises below the upper consumption threshold.

⁵ Victoria, South Australia, New South Wales, Queensland and the ACT.

⁶ Wallis Consulting Group, *Australian Energy Regulator – Retail Pricing Information Guidelines*, June 2010, p.6.

⁷ IPART, *Review of regulated retail tariffs and charges for electricity 2010-2013, Electricity – Final Report*, March 2010, p 51.

...none of the respondents in Victoria (where retailers are obliged to publish PDSs on their websites) had been given or were referred to a Pricing Disclosure Statement (PDS)⁸.

Wallis found that the participants in the market research program responded positively to the PDS documents when they were shown to them. Wallis stated that:

[T]here was general agreement that such information would be useful for consumers when making a choice between retailers.⁹

In the AER's view, it is important that there is a robust regime in place to ensure that customers have access to clear, relevant and consistent information to enable them to make informed choices about energy offers. The AER notes, for example, that there is a significant amount of marketing undertaken by energy retailers and their representatives. It has been estimated that energy retailers and their sales agents contact thousands of consumers as part of their marketing campaigns, with around 40,000 homes door-knocked each working day.¹⁰ Consumer switching in the retail energy market is often driven by these types of sales approaches, so any information provided to encourage a consumer to switch should be presented in such a way that it will help the consumer to consider and compare the information against other offers or their existing arrangements. The Guideline will be an important tool in this regard.

The AER further considers that specifying the manner and form in which information is presented and, importantly, creating consistency of same, can give consumers confidence in the accuracy and comparability of this information. This, coupled with clearer guidance around when customers should be provided with pricing information, will help customers make more informed switching decisions, reduce search costs and encourage a more effective and competitive energy retail market.

The need to make information about energy retail offers readily available to customers is also reflected by the fact that most participating jurisdictions¹¹ have existing price disclosure obligations on retailers. The AER notes that New South Wales recently introduced requirements on retailers with respect to the provision of pricing information to customers. In its final report on "Electricity and gas retail price disclosure and comparison guidelines," IPART stated that it found:

[T]he current information about electricity prices on retailers' websites fails to adequately inform customers of the price they would pay if they accepted an advertised offer.¹²

⁸ Wallis Consulting Group, *Australian Energy Regulator – Retail Pricing Information Guidelines*, June 2010, p 2.

⁹ Wallis Consulting Group, *Australian Energy Regulator – Retail Pricing Information Guidelines*, June 2010, pp 3-4.

¹⁰ Energy Assured Ltd's submission to ACCC on their applications for authorisation A91258 & A91259, 17 March 2011, p 4.

<http://www.accc.gov.au/content/index.phtml/itemId/954326/fromItemId/278039/display/submission>

¹¹ Victoria, South Australia, Queensland and New South Wales.

¹² IPART, *Electricity and gas retail price disclosure and comparison guidelines - Final Report*, June 2010, p 2.

IPART is of the view that its disclosure guideline would:

[A]ssist small customers find the best available offer for their electricity and/or gas supply, and improve price transparency in the NSW retail energy market.¹³

Further, the Essential Services Commission of South Australia (ESCOSA) made recent changes to its price disclosure regimes to improve price transparency and more effectively meet the needs of small customers in the South Australian retail market.¹⁴

1.1 Possible effects of the guideline

It is anticipated that the Guideline will create a consistent and streamlined national price disclosure regime for retailers to adhere to. Further, the centralising of current jurisdictional regimes in a single framework, with accountability to a single regulator, will create savings for retailers in management of these obligations.

The AER acknowledges that the Guideline contains requirements that are of a prescriptive nature. However, it considers these requirements are ultimately in the interests of end use customers and that any compliance burden on retailers is outweighed by the benefit that compliance with the Guideline affords to customers and the broader functioning of the market.

The AER also notes that the Guideline and the resulting Energy Price Fact Sheets (fact sheets) provided by energy retailers form only one component of the broader range of tools that will be available to assist consumers to compare energy offers and make informed purchasing/switching decisions. A pricing comparator website currently being developed by the AER will provide consumers with the ability to generate pricing information more closely aligned with individual circumstances as a basis for comparing products and offers. The Guideline also prescribes the manner in which *retailers* provide information to the AER for use on that website.

¹³ Ibid, p 1.

¹⁴ ESCOSA, *Consumer Information Requirements for the Energy Retail Market in South Australia – Final Decision*, December 2010.

2 Context in which draft procedures and guidelines have been prepared

The National Energy Customer Framework is the final stage in the transition to national regulation of the energy markets. The Ministerial Council on Energy's (MCE's) consultation on the National Energy Customer Framework started in 2006 and included extensive consultation on two exposure drafts in 2009 and 2010.

The Customer Framework comprises the National Energy Retail Law, Rules and Regulations. The National Energy Retail Law (South Australia) Bill 2010 was introduced in November 2010. At the same time, the MCE released the National Energy Retail Rules and Regulations to be made. The national legislation giving effect to the Retail Law and Rules passed both houses of South Australian Parliament on 9 March 2011, and received Royal Assent on 17 March 2011. The MCE agreed on 10 December 2010 that jurisdictions would work toward a common commencement date of 1 July 2012.

Part 2, Division 11 of the new Retail Law creates a price disclosure regime which aims to assist customers to compare prices and products offered by retailers. It obliges retailers to publish and present their prices in the required manner. It also requires the AER to develop an online price comparator. To support this role, the Retail Law empowers the AER to develop Retail Pricing Information Guidelines ('Guideline'). The guideline specifies the manner and form in which retailers are to provide details of their standard and market offer prices when publishing, advertising or notifying the AER of these prices.

To meet the goal of the Guideline, the AER has prescribed requirements on retailers to create and publish Energy Price Fact Sheets (fact sheets) as a medium in which information on retail offers is presented to small customers. The Guideline also includes specific conditions around the provision of these fact sheets during different types of marketing activities, such as door to door sales, telemarketing etc.

In addition, the AER has been given a role in developing an on-line price comparator service for States and Territories which 'opt in'. This comparator service will most likely provide customers with an ability to enter their personal energy usage/cost information to obtain advice on retail offers that would be most appropriate for their circumstances. The comparator service will therefore be likely to provide customers with personalised cost estimates, assisting them to make effective switching decisions. In developing the Guideline, the AER has sought to streamline requirements it imposes on retailers in relation to the information they must provide to consumers, specifically by adopting the fact sheets as the main source through which it obtains data for publication on the comparator website.

The AER commenced preliminary consultation on the Guideline with an initial issues paper published in March 2010. This was followed by the release of a position paper and an earlier draft Guideline in September 2010. Those documents set out the AER's preliminary views on a range of issues and outlined how the Guideline would apply to the presentation of retail offer information. Appendix A to this document lists the organisations who responded to our September 2010 position paper.

The current draft of the Guideline has been informed by submissions received to the issues paper and position paper as well as market research undertaken by Wallis Consulting Group (Wallis). Copies of the earlier consultation documents, along with the submissions received to these papers, are available on the AER website.

The AER has also hosted public forums in May and October 2010 to inform the development of the Guideline. They have been attended by representatives from retail businesses, consumer organisations, ombudsman and state government departments.

The draft Guideline is attached at Appendix B of this notice.

2.1 Interaction with the Retail Rules

The AER recognises that there is some interaction between the requirements in section 53 of the Retail Law and rules 62 to 64 of the Retail Rules and this Guideline. In particular, the Retail Rules place an obligation on retailers to provide required information to small customers **before** the formation of a market retail contract or **as soon as possible after** the formation of the contract. Required information includes prices, charges, payments and penalties, contract details, customer rights and retailer responsibilities that apply under a retail offer that a customer enters into.¹⁵

The AER notes that this Guideline is not intended to substitute for the above disclosure requirements under the Retail Rules. However, the AER understands that some retailers may choose to use an Energy Price Fact Sheet (fact sheet) to meet the above requirements.

¹⁵ For further information, see rr. 62-64 of the Retail Rules.

3 Issues involved in the preparation of the Guideline

This section provides an overview of the main issues arising from submissions and the AER's response to those issues.

The issues covered include:

- the two proposed approaches for presenting retail offer pricing information
- the types of offers that will be covered by the Guideline
- scope of the guideline with respect to price variations
- clarification around requirements on retailers to present retail offer information in a specific format.

3.1 Method of presenting prices

The AER considers that unit pricing with standardised units ('standardised unit pricing') is the most effective method of presenting retail prices on fact sheets. Standardised unit pricing would require retailers to display the price of energy and fixed charges by their unit of measure—i.e. in kilowatt hours (kWh) for electricity or in mega joules (MJ) for gas—in a standard table format. The AER considers this method will facilitate the provision of clear and easily comparable pricing information to customers and promotes transparency and accuracy in the presentation of retail offer prices.

The AER also closely considered whether annual cost estimates (i.e. an estimate of how much different types of households would be charged over the course of a year) should also be included on the fact sheets. The AER has referred to use of both standardised unit pricing and annual cost estimates as the 'combination approach.' A number of consumer groups preferred the combination approach, considering that it creates a 'layered' approach to pricing information, provides customers with information that is simpler to interpret and also requires fewer calculations to be made. They argued that consumers would be able to compare a single figure to assist in finding the best deal for their household, rather than having to do calculations based on unit prices alone. Consumer groups also argued that any inaccuracies inherent in the annual cost method can be dealt with by including a disclaimer about the potential inaccuracies of the cost estimates.

The AER recognises that there may be value in using the combination method to present retail prices. In considering the advantages and disadvantages of the combination method, the AER acknowledges that annual cost estimates may be simpler and potentially easier for customers to make comparisons between offers. It would potentially enable quicker "approximate" assessments of which retail offers are better suited to them.

However, the AER notes that there are some downsides with the combination approach which need to be taken into account when determining the approach that would be most useful to consumers overall. Firstly, the AER is concerned by evidence that customers have difficulty with placing themselves in the appropriate consumption bands, potentially resulting in their under/overestimating their consumption. Market research conducted by the energy regulator in Great Britain, Office of the Gas and Electricity Markets (Ofgem), revealed that when using annual cost estimates, customers often placed themselves in the wrong consumption category and hence selected a tariff that was not suitable for their circumstances.¹⁶

A contrary view is that without annual cost estimates to simplify the comparison process, consumers could choose a suboptimal offer for their household because they are unlikely to analyse their own consumption and make the calculations. However, the simplification of information in the annual cost approach, in some ways, provides 'face value' information to customers, potentially creating the impression that the annual costs presented in the table are exactly what a consumer is likely to pay for their energy use. While annual cost estimate appears to be a simple method to compare energy offers, it may in fact be inaccurate and confusing, depending on the individual household and which consumption band a consumer places themselves in. As an alternative, the standardised unit pricing method presents customers with accurate prices and encourages consumers to think about how their energy usage is being charged.

A further, more practical, disadvantage of the combination approach is that it requires longer fact sheets with more tables and detail, which may make it more difficult for consumers to find the information they need.

The standardised unit pricing information presented on fact sheets will also be supplemented by price information available to customers via an online price comparison service. As previously mentioned, the AER is currently developing an on-line price comparison service which will most likely be designed to provide customers with both the unit price of an offer as well as an individualised annual cost estimate. That is, customers can enter information about their energy use or household type into an online comparator which will then present them with personalised annual cost estimates for various retail offer. Consumers that do not have access to the internet will most likely be able to call an information line and request for the information to be printed and mailed to them. In light of the on-line price comparison service, the AER considers that there is unlikely to be significant additional benefit in developing annual cost estimates for fact sheets that are high level approximations only and may lead to customer confusion.

While currently not a significant issue, adopting annual cost estimates under the combination approach could be further complicated in the future if there is greater use of time-of-use tariffs. There will be challenges involved in developing accurate load profiles for the "average" consumer. For example, although the annual usage of a single stay-at-home parent and a working couple may be similar, their daily consumption profile would be very different and therefore their annual costs would vary significantly under time-of-use offers.

¹⁶ Ofgem, *Energy Supply Probe – Retail market remedies*, April 2009, p 16.

To provide greater transparency around the presentation of unit prices, the Guideline places obligations on retailers with respect to explaining certain terms on fact sheets. For instance, retailers will be required to explain what a 'kWh' and 'MJ' is, as well as define 'daily supply charge'. This is designed to assist customers to better understand the information presented on the fact sheets. The Guideline also requires retailers to reference the AER price comparator website on each fact sheet so that consumers are aware of that resource.

On balance, the AER considers that standardised unit pricing is the more appropriate method of presenting prices on fact sheets as it provides an accurate method of price presentation. Customers who are seeking personalised information on the monthly/quarterly/annual cost of an offer will still be able to access this information via the AER online price comparison service.

3.2 Application of the guideline

The AER intends that the Guideline will apply to the following forms of advertising/marketing and sales approaches:

- door to door sales
- telemarketing
- websites
- bill boards
- newspapers/magazines and;
- any other print advertising.

The AER considers that door to door sales and telemarketing are common methods by which retailers contact customers to encourage them to switch retailers. Further, consumer research has revealed that customers who had switched were mostly motivated to do so because of direct contact from a retailer, either through door to door sales or telemarketing.¹⁷ Therefore, the AER considers that the Guideline must apply to those forms of marketing in order to provide the greatest benefit to energy customers. The AER also notes that the requirements of the Guideline exist in addition to requirements of the Australian Consumer Law in relation to unsolicited consumer agreements (including, for example, customer cooling off periods).

Further, the AER maintains the view (as outlined in the position paper) that the Guideline should apply to information provided on retailer websites about their available offers. The AER considers this vital as websites are a common and widely available information source for customers.

While the AER notes that bill boards, newspapers or magazines are unlikely to contain detailed information on retail offers, it is of the view that customers may seek

¹⁷ Wallis Consulting Group, *Australian Energy Regulator – Retail Pricing Information Guidelines*, June 2010, p 31.

additional information on offers that are advertised through these channels. Therefore, the AER considers that the Guideline should apply to these forms of advertising. Given that any advertisements through these channels are not likely to contain any detailed pricing information, the requirements in the Guideline for these forms of advertising are much less prescriptive (see section 2.5 of the attached Guideline).

Types of offers to which the guideline should apply

Retailers have indicated that there broadly two types of market offers available to small customers. These include offers that are available to most small customers, i.e. ‘generally available’ offers and those that are only available to specific customer segments.

Some retailers have raised concerns regarding the requirement in the draft Guideline for retailers to have to provide a fact sheet (either on their websites or through door to door sales/telemarketing) for each offer that they provide. These concerns are that the current wording in the draft Guideline suggests that all fact sheets, including those for offers that have limited eligibility (such as obsolete or “family and friend” offers), need to be made available on a retailer’s website. Retailers argued that requiring them to provide a fact for each available offer could limit their willingness to offer innovative products to particular customer segments.

Many retailers supported Victoria’s approach to price disclosure, which requires retailers to provide a price and product information statement for one ‘generally available’ offer only.

Generally available offers

The AER considers ‘generally available’ offers to be those which are widely available to most small customers (i.e. offers that are not exclusive to any particular segment of customers). For example, an offer that any customer in a particular distribution zone would be eligible for and able to access is ‘generally available’. The AER is of the view that for any ‘generally available’ offers, customers should be able to access fact sheets setting out the details of each offer so that they can compare across different offers. On that basis, the AER considers that, retailers should be required to publish a fact sheet on their websites for each retail offer which is ‘generally available’. Retailers must also provide these fact sheets during door to door sales and upon customer request during telemarketing activities, in accordance with requirements outlined in the Guideline.

The AER notes comments from retailers regarding Victoria’s approach to price disclosure, which requires retailers to publish information on only one ‘generally available’ market offer on their website and for the jurisdictional price comparator website. While recognising the potential merits of this approach, the AER is concerned that it may not provide customers with adequate information on retail offers available to enable them to make informed choices. Accordingly, the AER requires that retailers provide fact sheets on *each* ‘generally available’ offer made and to publish these on their websites.

Offers available to specific customer segments

The AER is of the view that retailers do not need to publish on their website a fact sheet for those offers that are not generally available, because of their comparatively

limited relevance/availability to most customers. Offers that are *not* ‘generally available’ include obsolete offers, “family and friends” offers, targeted mail outs or other offers that are targeted at specific customer segments.

However, the AER considers that customers should still have access to fact sheets on these offers if they are seeking to compare offers or want written information on an offer being provided to them. While the AER is not requiring in this Guideline that retailers publish fact sheets for these offers on their website, the AER considers that retailers should have a fact sheet readily available if a customer requests one. For example, if offers are being marketed to specific customer groups through door to door sales, retailers should provide customers with fact sheets at the time of contact, in the same manner that these requirements apply for generally available offers. During the telemarketing of these offers, retailers should supply customers with a fact sheet if requested (see section 3.3 of the attached Guideline).

Notification of price variations

The AER considers that the primary purpose of this Guideline is to assist customers to compare between different types of offers when they are in the process of making a switching decision or when approached by retailers to switch. The Retail Law and Rules prescribe requirements on retailers to notify customers about variations to prices¹⁸, and as such the AER’s proposals for the Guideline have not been developed to achieve this aim.

Submissions from consumer groups supported the guideline including a requirement to notify customers about variations to prices/tariffs. Some consumer groups argued that customers should be presented with a fact sheet at the time that any change is made to their retail offer, and others argued that the guideline should require information on tariff changes to be provided to customers at least 30 days prior to the price rises becoming effective.

The AER notes concerns raised by these stakeholders, however, it considers that notifying customers about variations to prices on existing retail offers is not of the primary purpose of the Guideline. This is particularly the case given that the Retail Law and Rules already prescribe requirements for retailers to meet in relation to this issue.

However, the AER recognises that when customers are notified of price changes, they may seek to use fact sheets to compare different types of offers and make switching decisions. Therefore the AER is of the view that retailers may choose to use fact sheets to notify customers of price variations as long as they meet all the requirements set out in the Retail Law and Rules.

3.3 Presentation of other retail offer information

The AER maintains that prescribing requirements with respect to the layout of a fact sheet is important in achieving the goals of simplicity and standardisation in the presentation of retail offer information.

¹⁸ See Division 3, s.23 (3) of the Retail Law.

Some retailers argued that the requirements stipulated in the draft Guideline are overly prescriptive. Submissions from retailers also indicated that greater clarification is needed around certain requirements in the Guideline.

For instance, some retailers sought clarification on whether they can present simultaneous offers for gas and electricity on the same fact sheet even where there are two separate contractual offers. The aim of the fact sheet is to provide customers with information about retail offers in a format that will enable ease of comparison for customers. The AER therefore considers that — while in most circumstances information on offers for gas and electricity should **not** be presented simultaneously on a fact sheet — where offers for gas and electricity are part of a dual fuel or bundled deal (that is, conditional upon acceptance of the terms of one another), they should be presented on **one fact sheet**. This is because the rates and conditions that apply to an electricity offer made as part of such an offer will generally only apply if a customer signs onto a gas deal as well.

The AER also considers, for the purposes of transparency, where a dual fuel offer involves the customer entering into more than one contract with the retailer, that fact must be made clear on the fact sheet. Given the potential need for additional information to be provided so that consumers are able to make informed decisions about dual fuel or bundled offers, the AER considers that fact sheets for such offers may run to three A4 pages.¹⁹

The AER maintains the view that retailers may present a number of green power options (that are considered to be an ‘add on’ to an existing retail offer) on a single fact sheet, however, this information should be clearly presented and meet Guideline requirements. Where an offer is for green power in its own right, rather than as a component or ‘add on’ of an existing retail offer, a separate fact sheet must be produced.

Retailers also sought clarification on whether the table structure (as stipulated in the Guideline) can be modified in terms of its ‘look and feel’. The AER is of the view that retailers should generally follow the format prescribed in the Guideline. As stated in the issues paper, one of the fundamental goals of the Guideline is to enable a like for like comparison for customers. The AER considers that this can only be achieved if retailers adhere to the template prescribed in the Guideline. However, retailers will be permitted to modify column width, row heights, colour, font style and make other minor amendments to the example tables, as long as all requirements in the Guideline, in particular that information be provided in a clear and easily understood way, are appropriately met.

Retailers and consumer groups sought AER views on whether the intent of the Guideline was to require retailers to present prices as inclusive or exclusive of discounts. The AER is of the view that all unit prices should be shown as amounts *before* a discount, particularly given that some discounts are contingent upon paying on time or being a long term customer.

¹⁹ The Guideline requires that Energy Price Fact Sheets must, for non dual fuel or bundled offers, be only two A4 pages in length.

The AER notes that a retailer also raised concerns around why distribution zones need to be specified in a fact sheet. The AER considers that this information is necessary given that the eligibility or price of an offer may be dependent on the customer's distribution zone. In the event that customers access fact sheets from a retailer's website, they will need to be aware of their eligibility for an offer (which may be affected by their distribution zone).

The initial Guideline stipulated that retailers should supply customers with a fact sheet (upon request) during any telemarketing activity within five days. Retailers raised concerns that this timeframe could be too short, and potentially difficult for them to comply with this requirement. While the AER considers that it is important for customers to receive information on retail offers as soon as possible to assist them in making their switching decisions, it acknowledges the concern raised by retailers regarding the proposed five day timeframe. On that basis, the AER considers extending the timeframe to ten business days will allow retailers to comply with Guideline requirements while ensuring that customers still receive information in a timely manner.

Appendix A

Submissions on the September 2010 position paper and earlier draft Guideline were received from:

- ActewAGL
- AGL
- Consumer Action Law Centre
- Consumer Utilities Advocacy Centre
- Department of Employment, Economic Development and Innovation (Qld)
- EnergyAustralia
- Energy and Water Ombudsman of NSW
- Energy and Water Ombudsman of Victoria
- Ergon Energy
- Integral Energy
- Public Interest Advocacy Centre
- Queensland Consumer Association
- Queensland Council of Social Service
- Origin Energy
- Simply Energy
- TRUenergy