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1 July 2011

Australian Energy Regulator - Markets Branch
GPO Box 520
Melbourne VIC 3001

Dear Sir/Madam

RE: Australian Energy Regulator's Retail Pricing Information Guideline

TRUenergy welcomes the opportunity to provide the following comments in relation to the Australian Energy Regulator's (AER) Retail Pricing Information Guideline - Position Paper (the Guideline).

TRUenergy recognises that this represents the final phase in the consultation on the AER's Retail Pricing Information Guideline but considers it important to make the following comments in relation to the AER's proposed approach to a web-based national pricing comparator and pricing information fact sheets.

Since 2009, there has been a significant number of regulatory changes across the National Electricity Market associated with the disclosure of prices to customers via pricing fact sheets and comparator websites. In analysing the development of policy in these areas it is important to recognise that energy pricing is influenced by a number of factors including the customer's consumption pattern, the type of retail product, the network zone, the metering configuration and the inclusion of GreenPower. TRUenergy would argue that due to the issue of information asymmetry, most customers do not understand how different elements influence the end cost of energy and for this reason, it is important that pricing information on the fact sheet is kept at a reasonably high level and is too detailed so as not to cause confusion rather than to provide insight. For this reason, TRUenergy believes that including only essential information on the fact sheet, along with ensuring the information provided to customers is accurate, should be the AER's overriding principles associated with this guideline.

National Comparator Website

TRUenergy supports the establishment of a national comparator website where customers across the country can compare the widely available energy offers in their market. However, in order for the website to be effective the AER should recognise that such functions require a significant amount of resources to process and upload retailers' pricing information. TRUenergy recognises the AER's intent on making the process of submitting and posting offers as simple as possible but believes that extracting generic information from the retailers' fact sheet to use on the pricing comparator will not allow customers to make an accurate comparison and may in fact be misleading. TRUenergy therefore considers it important that the AER develops a pricing template that is simpler to complete. From TRUenergy's experience, the templates developed for the South Australia and Queensland market are simpler to fill in and, more importantly, easier to verify than the template developed for the NSW market.

Pricing Fact sheet

TRUenergy supports the establishment of a consistent format for retailers' pricing information fact sheets. In preparing these fact sheets, it is fundamental that the pricing information included is accurate. For this reason, TRUenergy believes each fact sheet has to include the relevant information associated with the product, the metering arrangements and the network zone as these influence the customer's end price. Specifically, TRUenergy is of the view retailers should have to include the tariff information for the different metering configurations in the various network zones as the metering can have an impact on the customer's end price. While TRUenergy considers the inclusion of this information is important, it nevertheless would argue that the fact sheets must be no longer than two pages in length (in a reasonable sized font) for ease of reading and to allow to customers to make an informed choice. In meeting this objective, TRUenergy also believes that the fact sheets should only include the key pricing details and that information either defining the units of measure or practical examples of appliance usage is unnecessary and will not provide any practical benefit. Given the AER is proposing that retailers will have to use MWh and MJ there seems to be little value including definitions for these units of measure, especially as this may require retailers to explain difficult esoteric terminology which is also likely to be of little value to most customers.

Finally, TRUenergy believes upfront or 'visible' discounts need to be included in the quoted prices. TRUenergy has found that if these discounts are not included it makes it difficult for customers to compare offers using the pricing comparator websites. For contingent discounts, such as pay on time discounts and loyalty rebates, TRUenergy is of the view that these should be listed separately from the pricing information.

Should you have any questions in relation to this submission please call me on (03) 8628 1185.

Yours sincerely

Alastair Phillips
Regulatory Manager
TRUenergy