



22 December 2010

Australian Energy Regulator
Attn: Mr Tom Leuner
General Manager Markets Branch
GPO Box 520
Melbourne VIC 3001

By email: AERInquiry@aer.gov.au

Dear Mr Leuner

Re: The Australian Energy Regulator's Issues Papers on the Retailer of Last Resort (RoLR) plan development, the RoLR registrations and appointments and the RoLR cost recovery scheme (November 2010)

Thank you for the opportunity to provide comment on the Australian Energy Regulator (AER)'s Issues Papers on the RoLR plan development, the RoLR registrations and appointments and the RoLR cost recovery scheme.

The Energy and Water Ombudsman (Victoria) (EWOV)'s interest in providing comments is based on the scheme's extensive experience in handling customer complaints. Given this interest, we specifically provide comment on the AER's Issues Paper on the RoLR plan development.

AER's Issues Paper on the RoLR plan development

3.2 Development approach

EWOV notes that the AER bases its RoLR plan on the provisions of the National Energy Customer Framework, specifically section 162 of the National Retail Law. EWOV further notes that the AER seeks to draw on the work completed by the Victorian Essential Services Commission (ESC). EWOV appreciates the appropriateness of the AER referring to the work completed by the Victorian ESC given their comprehensive consultation and work undertaken in 2005/06, in which EWOV was extensively involved.

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4 RoLR plan participants

We agree with the AER that Ombudsman schemes play a vital role in resolving complaints against a failed retailer and in directing customers to the appropriate contact. We therefore strongly support the inclusion of Ombudsmen as RoLR plan participants.

6 Communication leading up to the issue of a RoLR notice

Compared to section 7 (see below), EWOV questions whether the AER will implement similar timeframes when communicating with Ombudsmen in the lead-up to a RoLR notice. Appendix 1 does not include any specific reference to Ombudsmen at this stage. Further clarification by the AER in relation to this would be valued.

7 Communication after the issue of a RoLR notice

EWOV is pleased to see that the AER includes Ombudsmen in its proposed communication strategy as a key party requiring information to be prepared for a RoLR event. EWOV views the principle of the AER notifying Ombudsmen within two hours of the AER being alerted of a retailer suspension or otherwise, within two hours from an AER Board decision to invoke a RoLR event, as acceptable. Furthermore, EWOV welcomes receiving RoLR event questions and answers within 48 hours of the AER giving the RoLR notice. These timeframes will provide Ombudsmen with sufficient time to prepare internal information for affected customers should they make contact with the affected scheme.

Communication strategies for affected parties

EWOV welcomes the AER's comprehensive communication strategies for affected parties, particularly given the inclusion of media and the communication with other relevant stakeholders, including financial counsellors, members of parliament and migrant resource centres. Including additional message conduits will ensure that the information also reaches members of the community who do not closely follow mainstream media or may have difficulties understanding the information without further explanation.

With regard to communications with affected small customers about their rights and obligations, and the placing of this information on the AER's website, EWOV also suggests that these details should be provided directly in writing. Our experience is that customers may not intuitively visit the regulator's website or even be aware of this information source. Such information could possibly be included as a fact sheet insert in the communication issued by the designated RoLR, or in the letter sent by the failed retailer.

Energy Ombudsman

EWOV's view is to establish communication methods specifically between Ombudsman schemes and failed retailers and/or insolvency officials. This would ensure the progression of any unresolved complaints and to gather information for affected customers once the failed retailer's call centre operation has ceased.

We trust the above comments are helpful. If you require further information or have any queries, please contact Tanja Sommer, Senior Research and Communications Officer on 03 8672 4460.

Yours sincerely

A handwritten signature in cursive script that reads "Fiona McLeod".

Fiona McLeod
Energy and Water Ombudsman (Victoria)