



18 August 2011

Attn: Ms Sarah McDowell

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

By email: AERInquiry@aer.gov.au

Dear Ms McDowell

Re: The Australian Energy Regulator Retailer of Last Resort (RoLR) plan development, the RoLR registrations and appointments and the RoLR cost recovery scheme (Draft Instrument) (July 2010).

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

The Energy and Water Ombudsman (Victoria) (EWOV)'s interest in providing comments is based on our extensive experience in handling customer complaints and to ensure that the RoLR arrangements will minimise customer confusion and complaints.

EWOV continues to strongly support the inclusion of Ombudsmen schemes as RoLR plan participants and participation in the proposed communication strategy.

Communication leading up to the issue of a RoLR notice

EWOV understands the AER's reticence to distribute commercially sensitive information to external stakeholders. However, given that a RoLR event has the potential to cause a significant spike in customer enquiries and complaints, pre-warning would provide EWOV with time to prepare and put the necessary strategies in place to manage an increased demand for our services.

Communication strategies for affected parties after a RoLR event

A RoLR event would potentially cause a great deal of customer confusion and concern, and consequently increase enquiries and complaints to the failed retailer, the RoLR, the AER and EWOV. As such, EWOV continues to support the AER's comprehensive communication strategy to be implemented in such circumstances. This will ensure all parties - including the AER, government, energy retailers and distributors – communicate clearly and consistently with the customers of the failed retailer.

EWOV notes that, should a RoLR event occur, the Draft Instrument outlines that consumers will be communicated to in the following ways:

- The AER will establish a 'hotline', publish a press release, email customer intermediaries, publish a frequently asked questions document, and consider publishing a newspaper, radio or television advertisement. This will be completed within 24 hours to 3 days after the RoLR event has occurred.
- The failed retailer will, within 25 business days, send former customers written information (with the final bill) about the RoLR event including details about their account (i.e. payment plans, direct debits).
- The designated RoLR will, within 25 business days¹, send written communication to affected customers about tariffs, terms and conditions, and transfer options.

In addition to the proposed communications noted above, EWOV suggests that affected customers are provided with details about the RoLR event in writing from the AER within an acceptably short timeframe (e.g. three business days)¹. EWOV believes that the AER is best placed to provide authoritative information about the RoLR event to affected customers, and this proactive communication will ensure that:

- customers of a failed retailer receive information early on in the process, rather than waiting the 25 business days.
- customers receive clear, consistent and independent information.

Ombudsmen schemes information flows after a RoLR event

EWOV supports the AER's request for a summary from Energy Ombudsmen schemes about customer issues within 60 business days of a RoLR event.

EWOV notes and agrees with section 2.7 (a) (i) of the Draft Instrument which states that the Ombudsmen schemes, where required, will liaise with the failed retailer/insolvency official, designated RoLRs, distributors, AER and AEMO. In addition to this, and requiring inclusion in the RoLR plan, is the provision of continued updates and information being provided to

¹ Using the Essential Service Commission (ESC)'s letter to RoLR customers in Appendix two, page 66 of the ESC's RoLR Manual at <http://www.esc.vic.gov.au/NR/rdonlyres/E41FDFEB-C3D2-4A0F-8B0C-BEE757A01E5C/0/RoLRManualforStage1event2009.pdf>

Ombudsmen schemes in the aftermath of a RoLR event. This will ensure that Ombudsmen schemes can continue to effectively resolve the complaints of affected customers.

We trust the above comments are helpful. If you require further information or have any queries, please contact Belinda Crivelli, 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)