

25/03/2025

Gavin Fox  
General Manager, Network Pricing  
Australian Energy Regulator

Via email: [REDACTED]

Dear Mr Fox,

I am writing in relation to the SA Power Networks application to the AER to determine if the Small Compensation Claims Scheme established by the *National Energy Retail Law (South Australia) Act 2011* is a jurisdictional scheme under clause 6.18.7A of the National Electricity Rules (NER).

We are concerned that should the AER determine that the scheme is jurisdictional, then SA Power Networks could recover the costs associated with the Small Compensation Claims Scheme through its annual pricing proposals, passing on the costs to consumers.

This would create an additional financial burden on consumers in South Australia who continue to experience the [highest](#) effective price for electricity in Australia.

It is unreasonable to shift the cost of a business failure onto consumers, particularly as they are unrelated to the direct provision of energy services.

We agree with the position of Consumers Australia's and SACOSS that there should be 'no further non-energy services paid via energy bills.'

There would be disproportionate cost impacts on low income and higher consumption households, as well as the potential for the scheme's costs to increase over time due to an increase in the number of claims.

The [increasing](#) network costs, wholesale costs and environmental scheme costs should also be considered.

SACOSS has provided a number of [recommendations](#) within their original submission on how the scheme could be funded instead of passing this onto consumers.

To clarify, we do not oppose the scheme itself, and its benefits for consumers, we are specifically recommending that the costs should not be passed on to consumers.

We urge the AER to reject this proposal by SAPN and find an alternative cost recovery method for this scheme.

Yours sincerely,



**Simon Schrapel AM**  
Chief Executive