

15 March 2018

Ms Sarah Proudfoot
GM Retail Markets Branch
Australian Energy Regulator
By email: AERinquiry@aer.gov.au

Dear Ms Proudfoot

Submission to Amended AER Retail Pricing Information Guidelines

Aurora Energy welcomes the opportunity to provide feedback on the proposed amendments to the Australian Energy Regulator's Retail Pricing Information Guidelines (Guidelines). As a stand-alone retailer for 279,636 Tasmanian residential and business customers, Aurora Energy places a high priority on the provision of timely, relevant and understandable energy information to its customers.

Aurora Energy's response to the Guidelines reflects the environment within which it currently operates. The majority of Tasmanian electricity customers do not have a choice of retailer¹. While full retail contestability has been possible under the Tasmanian legislative framework since July 2014, Aurora Energy continues to be the sole retailer for all residential customers and for the vast majority of small business customers in Tasmania². Retail prices for these customers are regulated by the Tasmanian Economic Regulator, with the regulatory framework also incorporating obligations for Aurora Energy to provide customers with regulated price and product information. Given this context, Aurora Energy has the following concerns with the proposed Guidelines:

- the increased focus on the promotion of residential customers' choice of retailer (through services such as the *Energy Made Easy* website and the introduction of the *Basic Plan Information Document*) is irrelevant in Tasmania and will only serve to increase Tasmanian customer confusion; and
- the imposition of unnecessary implementation costs for Aurora Energy with no commensurate benefit to customers.

Aurora Energy recognises that the AER is currently responding to a wider policy agenda with respect to the operation of the retail electricity market, designed to improve customer outcomes. Aurora Energy is supportive of the intent to improve customer information provision, however notes that the amended Guidelines are tailored for competitive markets.

Given the focus of the amended Guidelines, should the AER proceed to finalise these as proposed, Aurora Energy intends to engage the AER on its application of the final Guidelines in more detail. This may include seeking dispensation from the AER to apply limited elements of the Guidelines in order to mitigate the risk of additional customer confusion and avoid unnecessary implementation costs.

¹ Australian Energy Market Commission, 2017 AEMC Retail Energy Competition Review.

² Robust competition does exist in the Tasmanian large customer market.

Elements of the Guidelines that Aurora Energy may seek dispensation for include, but are not limited to:

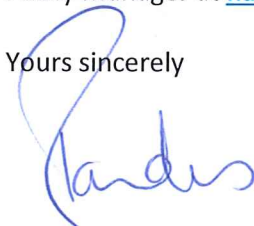
- the requirement to reference the *Basic Plan Information Document* and *Energy Made Easy* website links in mass media and other marketing activities; and
- the requirement to refer to the *Basic Plan Information Document* and *Energy Made Easy* Plan ID references in customer service interactions.

The requirements identified above are likely to cause confusion amongst Tasmanian residential customers given the absence of retailer choice. These requirements also conflict with existing state-based regulation which prescribes the price information provided to Tasmanian customers, including the schedule of regulated prices.

Meeting the energy needs of Tasmanians remains the highest priority for Aurora Energy. In the Tasmanian context, Aurora Energy believes it is best placed to provide the information required for a Tasmanian customer to make informed choices to manage their electricity needs. Aurora Energy looks forward to further engagement with the AER on this topic.

If you have any questions regarding this submission please contact Hayden Moore, Regulatory & Policy Manager at hayden.moore@auroraenergy.com.au

Yours sincerely



Rebecca Kardos
Chief Executive Officer