825 Ann Street, Fortitude Valley QLD 4006 PO Box 264, Fortitude Valley QLD 4006

ergon.com.au

Ref MM/JS

20 June, 2016

General Manager, Retail Markets Australian Energy Regulator GPO Box 520 MELBOURNE VIC 3001

Attention: Ms Sarah Proudfood

Email: AERInquiry@aer.gov.au

Dear Sarah

AER's Minimum Disconnection Amount

Ergon Energy Queensland Pty Ltd (EEQ) welcomes the opportunity to provide feedback to the Australian Energy Regulator (AER) on its *Review of the Minimum Disconnection Threshold Amount Consultation* (the consultation)

This submission is provided by EEQ, in its capacity as a non-competing local area retailer and the largest electricity retailer in regional Queensland.

EEQ is supportive of the AER's proposed approach to maintain the current disconnection threshold amount of \$300.

EEQ agrees that the factors which have been taken into account when setting the current amount remain appropriate. Further, EEQ believes that the current approach supports the need to balance the interests of customers and retailers.

EEQ also supports the view of the Australian Energy Council that if the minimum disconnection threshold was increased, customers in debt would face a more difficult task to repay this larger amount and applicable reconnection fees. Retailers would also be impacted by carrying large debt levels for a longer time.

In relation to future further reviews of the minimum disconnection threshold, EEQ's view differs from that of the Australian Energy Council. EEQ suggests that give the amount of change in the energy sector, a two year review period would be more appropriate.

If you wish to discuss any aspect of this submission, please do not hesitate to contact John Sculli, Manager Retail Regulatory Affairs, on 07 3851 6791 or john.sculli@ergon.com.au.

Yours sincerely,

John Sculli A/MANAGER - RETAIL REGULATORY AFFAIRS