

17 June 2016

Ms Sarah Proudfoot
General Manager, Retail Markets
Australian Energy Regulator
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Dear Ms Proudfoot

Submission to the Australian Energy Regulator
Review of the Minimum Disconnection Amount

The Energy and Water Ombudsman (SA) Limited ("EWOSA") welcomes the opportunity to comment on the Australian Energy Regulator's *Review of the Minimum Disconnection Amount*.

In this submission, the EWOSA primarily addresses matters that are specifically of interest to the EWOSA Scheme.

EWOSA is an independent Energy and Water Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity, gas or water.

We support the approach taken and the factors considered by the Australian Energy Regulator (AER) in reviewing the minimum disconnection amount.

We also support the AER proposal to retain the existing minimum disconnection amount of \$300. In particular, we agree with the principle that small customers should not be disconnected for being only one quarterly bill in arrears and the analysis conducted by the AER indicates that the current minimum disconnection amount remains suitable in this respect.

We believe that, in conjunction with other customer protections, this provides an appropriate level of support for small customers that may be having difficulties in paying their bills and ensures that the vast majority of such customers will not suffer disconnection.

Our only concern with the review is the proposal that the next review of the minimum disconnection amount take place in five years. We consider this period to be too long, given the many changes occurring in the energy industry and particularly the electricity market, including a shift to cost-reflective pricing. We believe the next review of the minimum disconnection amount should take place in two to three years.

Alternatively, a more robust discussion is required on what circumstances would need to prevail for the AER to consider an earlier review than five years to be warranted. Such circumstances might include a large rise in average energy bills and/or a large rise in disconnections and/or complaints about disconnections.

Should you require further information or have any enquiries in relation to this submission, please telephone me on (08) 8216 1851 or email me at antony.clarke@ewosa.com.au.

Yours faithfully



Antony Clarke
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