



12 January 2018

Mr Chris Pattas
General Manager, Networks
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

By email aerinquiry@aer.gov.au

Dear Mr Pattas

Re: AER Issues Paper - Draft amendments to the electricity network service provider registration exemption guideline

Thank you for the opportunity to comment on the *AER's Issues Paper - Draft amendments to the electricity network service provider registration exemption guideline* (the paper).

The Energy and Water Ombudsman (Victoria) (EWOV) is an independent industry-based external dispute resolution scheme. We help Victorian energy and water customers by receiving, investigating and resolving complaints about their company.

As an Ombudsman scheme, we are particularly interested in section 5.2 of the paper that deals with dispute resolution. It is our long-established view that all Victorian energy customers who have an ongoing energy supply relationship should have fair and equal access to EWOV, regardless of their seller relationship¹.

We welcome the AER's intention to replicate the dispute resolution and ombudsman conditions proposed in the *Draft Retail Exemption Selling Guideline* in order to harmonise the provisions for both retail and network exemptions. However, we would like to reiterate a concern we raised in our

¹ See EWOV comments on the *AER Issues Paper – Access to Dispute Resolution Services for Exempt Customers* (13 July 2017), the *Department of Economic Development, Jobs, Transport and Resources Review of General Exemption Order - Issues Paper* (6 August 2015) and the *Department of Primary Industries Paper – Extending the jurisdiction of the Energy and Water Ombudsman (Victoria)* (25 August 2011) - <https://www.ewov.com.au/publications/archive/36>

submission to the *Draft Retail Exemption Selling Guideline* consultation². That is, that the AER does not propose to extend external dispute resolution access to small business customers of exempt sellers.

In our *Draft Retail Exemption Selling Guideline* submission, we stated:

“It is EWOV’s experience that Victorian small business customers benefit greatly from access to EWOV’s free and independent dispute resolution. Our 2017 Annual Report³ shows that in the 2016-17 financial year, 2,524 EWOV cases, or 8 percent of overall EWOV cases, were lodged by business customers. Only a small percentage of these cases required an Investigation, but of those that did, the conciliated outcomes resulted in over \$880,000 in billing adjustments.”

Further, the AER’s stated position is narrower than the regulatory approach taken in Victoria. The Victorian Government’s *General Exemption Order* explicitly extends access to external dispute resolution to all ‘small commercial/retail customer[s]’.

In our *Draft Retail Exemption Selling Guideline* submission, we stated:

“As EWOV’s jurisdiction will likely be extended to cover exempt entities in 2018, we will be handling complaints from both residential and small business customers. It is our view that this scope is not overly burdensome, and necessary to ensure equitable outcomes for all energy consumers.

In time, we would encourage the AER to consider extending EDR access in the National Energy Market to small commercial and retail businesses.”

We trust that these comments are useful. Should you require further information or have any queries, please contact Justin Stokes, Senior Research and Communications Advisor on (03) 8672 4272.

Yours sincerely



Cynthia Gebert
Energy and Water Ombudsman (Victoria)

² See EWOV comments on the *AER Draft (Retail) Exempt Selling Guideline* (19 December 2017) https://www.ewov.com.au/files/20171219_aer_retail_exempt_selling_guideline.pdf

³ See EWOV’s 2017 Annual Report - <https://www.ewov.com.au/2017>