

24 December 2010

Attn: Mr Tom Leuner  
General Manager, Markets Branch  
Australian Energy Regulator  
GPO Box 520  
Melbourne VIC 3001  
[AERInquiry@aer.gov.au](mailto:AERInquiry@aer.gov.au)

Thank you for the opportunity to comment on the AER issues papers covering Retailer of Last Resort (RoLR) plans, RoLR registration and appointment and RoLR cost recovery schemes.

The Energy & Water Ombudsman NSW investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

EWON notes that the National Energy Customer Framework provides for the arrangements for maintaining continuity of supply in the event of a retailer failure. The AER's responsibility to prepare plans, appoint retailers to act as RoLRs and administer a process of cost recovery is set entirely within the National Energy Retail Law and the National Energy Retail Rules.

In the preparation for RoLR plans EWON agrees that all participating retailers in a jurisdiction should be included as RoLR participants. EWON also agrees with the AER view that the relevant Ombudsman Scheme should also be included as a plan participant. This is essential given the critical role that the Ombudsman can and will play in assisting customers of a failed retailer.

In response to the issues raised concerning a cost recovery scheme, EWON believes that the fundamental approach should be to reduce as much as possible costs passed on to the customers of a failed retailer.

There are various indicators that place a value on customer acquisition. Some of these are related to the acquisition of the government owned retailers in Queensland and in NSW by private operators. As well, in the NSW retail pricing determination a dollar value was placed on customer acquisition in many retailer submissions as well as in the final determination. Such value should be taken into



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account by the AER in responding to a retailer request for costs associated with a RoLR event.

If you would like to discuss this matter further, please contact me or Chris Dodds, Senior Policy Officer on 82185250.

Yours sincerely

A handwritten signature in black ink that reads "Clare Petre". The signature is written in a cursive, flowing style.

**Clare Petre**  
**Energy & Water Ombudsman NSW**