



22 December 2010

Australian Energy Regulator
Attn: Mr Tom Leuner
General Manager Markets Branch
GPO Box 520
Melbourne VIC 3001

By email: AERInquiry@aer.gov.au

Dear Mr Leuner

Re: The Australian Energy Regulator's Consultation Paper on the Draft Retailer Authorisation Guideline (November 2010)

Thank you for the further opportunity to provide comment on the Australian Energy Regulator (AER)'s *Draft Retailer Authorisation Guideline* (the Draft Guideline) in addition to our previous submission dated 27 April 2010 on the AER's *Retailer Authorisation Guidelines Issues Paper*.

With this submission, the Energy and Water Ombudsman (Victoria) (EWOV) seeks to particularly address part two and three of the Draft Guideline.

Part two: entry criteria

EWOV notes the further defined requirement for applicants to provide a strategy document that demonstrates compliance with regulatory obligations at a high level. The AER also suggests that such strategy is subject to an external assurance process. As this will assist in ensuring that all important aspects of a retailer's operations are assessed under applicable laws and regulations, including compliance with customer protection frameworks, EWOV welcomes this added detail.

Part three: transfer, surrender and revocation of a retailer authorisation

EWOV welcomes the AER's further consideration on the previously raised issue to set a timeframe for ongoing participation in an Ombudsman scheme in the case of a retailer authorisation transfer or surrender.

We support the AER's response introducing a requirement for the former retailer to maintain its Ombudsman scheme membership for 12 months following the date of the transfer or surrender of its authorisation. As previously outlined, this timeframe is also in line with clause 10.1 of EWOV's Constitution.

To further clarify responsibilities for disputes between the transferor and transferee retailer, the AER could also refer to section 103 (5) of the National Retail Law, which provides for disputes between retailers and small customers to be dealt with as if the retailer was still authorised. Such further clarification could avoid disadvantages experienced by customers with an ongoing dispute involving the transferor retailer.

We trust the above comments are helpful. If you require further information or have any queries, please contact Tanja Sommer, Senior Research and Communications Officer on 03 8672 4460.

Yours sincerely



Fiona McLeod
Energy and Water Ombudsman (Victoria)