

Application to Surrender

Application to surrender the Powerdirect Pty Ltd
Electricity Retail Authorisation





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1. Executive Summary

As the Australian Energy Regulator (the **AER**) is aware, AGL Energy Limited (**AGL**) acquired Powerdirect Pty Ltd ABN 28 067 609 803 (**Powerdirect**) on 19 February 2007 and has operated the retail brand as a challenger brand since that date. AGL is now undertaking a review of its product offerings and has decided to retire the Powerdirect retail brand, this retirement will allow us to simplify and enhance our offerings to our energy customers.

AGL is proposing to migrate all customers and supply points that are currently serviced by the Powerdirect entity to the relevant AGL branded entities. The goal is that this migration will provide our customers with a broader and more tailored product offering, in addition to access to a digital experience that is not currently available to these customers. We are hopeful that this will enhance our customers relationship with the AGL brand whilst also allowing AGL to service these customers more efficiently and effectively. Following the customer integration AGL will then look to retire the Powerdirect participant identifier in the energy market. The customer integration plan is detailed in section 4 of this document.

As is discussed in detail later, AGL and Powerdirect will be seeking to rely on section 105(8) of the *National Energy Retail Law (South Australia) Act 2011* (the **NERL**) to move all customers and supply points associated with the Powerdirect participant identifier to the relevant AGL participant identifiers. AGL will then also undertake updates to its internal systems to facilitate the customers being serviced as AGL branded customers with the benefit of their customer history and other associated components of their energy plan continuing after the integration to AGL. To facilitate this process, Powerdirect is now applying to the AER to surrender its electricity retail authorisation TE12032.

Both AGL and Powerdirect will take steps to inform all customers of the integration and ensure that customers are aware of any changes it may mean for them. Our key focus is ensuring that this migration is managed in a way that avoids customer detriment and inconvenience. Specifically, AGL is writing to customers of the Powerdirect retail brand to inform them that:

- They will be integrating from Powerdirect to AGL and that key components of their energy retail contract will not be changing. This includes the customers energy rates, fees and charges and any discounts.
- Provide them with tailored advice to support each customer through the integration and get them set up with AGL, this includes:
 - The AGL contact number for customers that are flagged as requiring life support equipment in the home
 - Advice about customers concession entitlements and that AGL will be working with the relevant government Departments and Services Australia to migrate these to AGL without the customer being required to take any steps
 - Advice about customers direct debits being transitioned to AGL to ensure that customers are able to continue to enjoy the ease of managing their energy bills via direct debit

- o Information about the customers hardship payment arrangements and how to make payment to their arrangements following the customers integration to AGL.

These customers will also be informed when they have successfully migrated into AGL and given tips and tricks to help them engage with AGL in a manner that works for them. A great example of this is AGL's electronic bill explainer which tells customers how to read their first bill with AGL or the specific messages that we will be sending to these customers that empower them to submit self meter reads.

As the AER is aware the Powerdirect retail brand migration will be a big bang migration, with customer data and accounts being transferred over the [REDACTED] [REDACTED] [REDACTED]. Powerdirect is now seeking to have the surrender of their authorisation effective shortly thereafter, with a specific target date of 9 March 2023.

2. Background

AGL has owned and operated the Powerdirect retail brand since February 2007. Currently Powerdirect services some 82,000 electricity customers across Victoria, New South Wales, Queensland and South Australia. These are all areas where AGL has well established experience in servicing, satisfying and supporting energy customers.

In addition to this retail experience, AGL has extensive experience in customer integrations and customer data migrations. In 2021, AGL integrated the Click Energy and amaysim Energy customer cohorts to AGL, in 2014 AGL integrated the Australian Power & Gas customer base and in 2008 AGL completed a data migration of the Powerdirect customers data into AGL's systems.

We have taken the learnings from these integration projects and determined that a big bang style of integration is most appropriate these circumstances, relying on a bulk transfer of the customers.

This will allow us to offer customers a more streamlined and holistic customer experience, as well as allowing us to promote simplicity in their services. This notion is centred around providing our customers simple and clear support, in addition to having a clear value proposition for our customers.

2.1. AGL's extensive experience in similar migrations

AGL has extensive experience in similar large-scale migrations. This past experience places AGL in a unique position to be able to deliver an integration that puts customer satisfaction and experience at the centre of our integration approach. In forming this approach to integrating the Powerdirect customers to AGL, we have been able to harness this previous experience. This includes leveraging previous project plans, systems, documentations, risks and issues registers to pre-empt risks and take preventative steps to reduce the likelihood of their occurrence.

Click Energy

The recent acquisition and integration of the Click Energy and amaysim Energy retail brands occurred just over 12 months ago. Due to the timing of our current integration AGL has been able to maximise the learning and skills of key resources to support this program. This includes two key program leads on the program in addition to the programs steering committee being comprised of the Click Energy Integration Director, the Click Energy Senior Compliance Manager and the Click Energy integration Project Manager. This is in addition to AGL relying on key technical resources who supported the Click Energy program.

Much like this current integration, the Click Energy integration was a big bang style integration with the majority of the ~200,000 customers being integrated into AGL over one weekend. Given the key similarities between our proposed Powerdirect approach and the Click Energy approach, we are confident we will be able to deliver a similar outcome for our customers throughout this integration.

Australian Power & Gas

The Australian Power & Gas integration was very similar to the Click Energy integration and the planned Powerdirect integration. AGL purchased the Australian Power & Gas business and was in full control of that business in the lead up to the integration. AGL staff were appointed to key roles within the Australian Power & Gas business to support a smooth transition to AGL.

In that integration AGL was able to work with the AER to arrange for the surrender of the Australian Power & Gas authorisation. This surrender was approved on several conditions. These include:

- Australian Power & Gas informing the AER when all customers were transferred from having a Market Retail Contract with Australian Power & Gas to holding one with AGL
- ensuring that where possible, the terms and conditions that are included in the Australian Power & Gas Retail Contract and the AGL Retail Contract were comparable (with minor exceptions)
- AGL ensuring that all customers on payment plans, registered with life support equipment and on the Australian Power & Gas hardship program were identified within AGL's systems

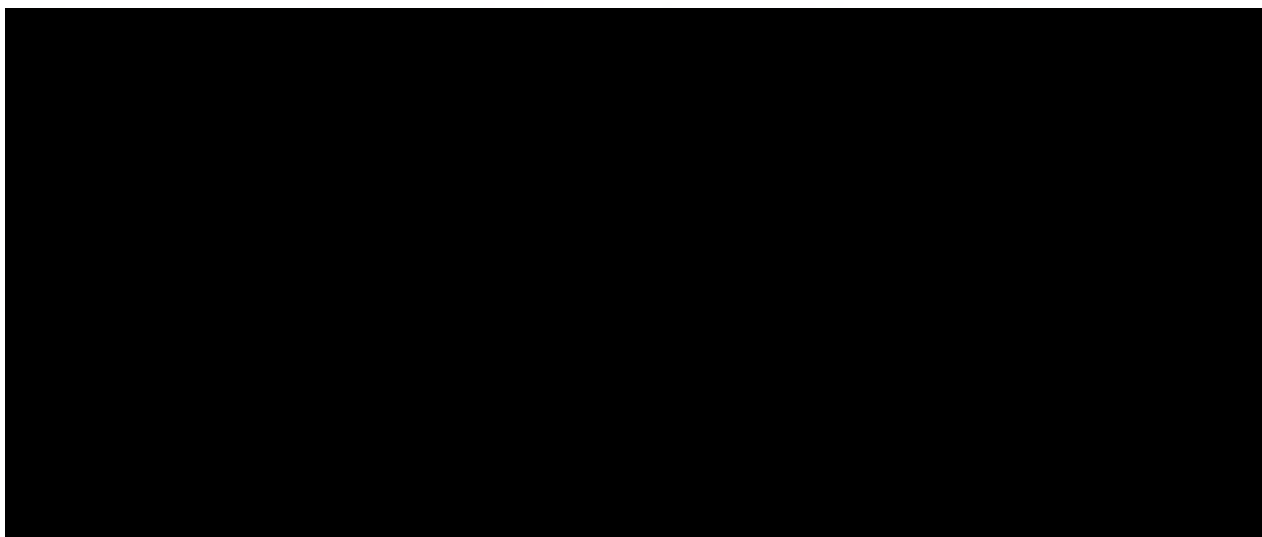
AGL has complied with these conditions and the surrender has now been finalised. All Australian Power & Gas customers have been transferred to AGL. We found the bulk transfer mechanism to be highly effective in supporting this.

2.2. Customer communication and engagement

As noted above, AGL has extensive experience in customer integration activities. AGL is leveraging this experience to deliver exceptional customer experience throughout this migration. Our customer integration program has five key customer engagement points. At all steps customers are able to contact AGL agents and discuss their options to take up an energy plan with AGL. Customers are also not charged exit fees at any time for leaving Powerdirect or AGL and AGL has no current plans to introduce exit fees.

Accordingly, in the event that a customer is informed that they are going to transfer to AGL and they are not comfortable with AGL becoming their energy retailer the customer will be able to contact another energy retailer and cease receiving services from Powerdirect with no additional fees.

Customer integration journey



All key information concerning the transition and what to expect is explained to integrating customers at step 2 of the integration journey. This information is sent to all customers prior to the transfer into AGL to ensure that customers are well informed about their ability to engage another energy retailer, should they so desire. We are aware that a large amount of information can overwhelm customers, so we have worked to develop tailored communications to ensure customers receive clear information that is relevant to their circumstances. AGL can confirm that all customers will be communicated to by AGL at least one month prior to their migration to AGL.

We have also worked to leverage our learnings from the Click Energy integration to ensure that we provide customers with clear information about the transition. To this end we will be launching an integration hub on the AGL website which will include information about the integration and a frequently asked questions. This will allow customers who are seeking out further detail on the integration to be able to access that information. We expect to have this webpage live prior to sending communications to our customers.

A template copy of these communications can be found at attachment 1 to this document.

2.3. Issue management and pre-emptive mitigation

The integration is highly dependent on technology and systems. AGL has formed a team of experts that are working to develop a transfer solution for the relevant supply points, replicate the Powerdirect branded product offerings within AGL's product base and create solutions for migrating customer data to the AGL branded billing and customer relationship management system. For these reasons AGL has developed a comprehensive testing and quality assurance regime to ensure that any issues are identified early and remediated quickly.

Some of the key pre-emptive mitigation actions we are taking include:

- Conducting 2 trial conversions and 3 dress rehearsals prior to the bulk transfer occurring, these will involve all key migration staff, mass conversion testing will also be separately completed by and with our external delivery partners, including AEMO and relevant distributors. The purpose of trial conversions and dress rehearsals is to test the completeness and accuracy of account migration

from Powerdirect to AGL participant identifiers. [REDACTED]

- Reducing the number of in-flight actions that are sitting in the market in the lead up to the bulk transfer [REDACTED]
- Providing training to all AGL agents about the integration and the likely supports these customers may require during the cutover period

From past integration activities that we have conducted common issues that may arise include:

- Data conversion errors, potentially creating confusing bill messages on a customer's first bill post migration
- Automation failures, meaning manual intervention is required to migrate customers to AGL

In unlikely event that a major issue that threatens the overarching migration occurs the whole migration activity will be delayed and the Powerdirect retail entity will continue to service customers through the Powerdirect retail brand. Our systems will be restored to their last backup – that being before the migration activity has been commenced – and the migration activity will be reattempted at a later point in time.

The scheduled sequence of events for the Powerdirect integration is:

1. Deploy software and system updates related to the specific products and pricing build for the Powerdirect products that are being mirrored within AGL's systems. This will occur in the weeks and months prior to the scheduled migration activity.
2. Conduct a full scale system back up. This will ensure that, in the unlikely event an issue does occur mid migration, AGL is able to roll back the data migration to a point just before the activity is commenced.
3. Commence data migration to build customer accounts in AGL's customer relationship management system and retain customer data, including historical bills and information within AGL's systems.
4. Commence bulk transfer of supply points, with the support of both the Australian Energy Market Operator (AEMO) and relevant distributors and network service providers.
5. Following successful completion of the above activities and verification that all required data has been migrated and integrated into AGL's systems we will then turn our mind to the exceptions, these are supply sites that are unable to be transferred to AGL through the bulk migration due to them having a pending change within the energy market. This is because the MSATS procedures stipulate that a supply addresses that cannot be migrated through a bulk change tool where there is a pending change request. This applies where a customer is in the process of changing retailers, in this scenario transferring from Powerdirect to another energy retailer. These customers are excluded from the bulk change as exceptions to ensure that they transfer to the retailer they are transferring to. Powerdirect will continue to supply these customers from the Powerdirect systems until they transfer to the appropriate retailer. These customers energy supply will not be at risk. These sites will be individually case managed by



AGL's transfers team, and we will work with the relevant distributors, to support these customers until they transfer away from AGL or to support a swift transfer to AGL.

Should any regulatory issues arise AGL will engage the AER and work constructively to manage them. We will, of course, seek to ensure our regulatory obligations and reporting obligations are complied with.

3. Statement of Reasons

AGL acquired Powerdirect on 19 February 2007 and has operated the retail brand as a challenger brand since that date. AGL is now undertaking a review of its product offerings and has decided to retire the Powerdirect retail brand, this retirement will allow us to simplify and enhance our offerings to our energy customers. As part of this retirement, AGL and Powerdirect are looking to integrate the [REDACTED] across Victoria, New South Wales, Queensland and South Australia into the AGL retail brand. To align to this goal, Powerdirect is seeking to surrender its electricity retail authorisation TE12032 (issued on 1 July 2012).

[REDACTED]

[REDACTED]

[REDACTED]

This surrender is required for AGL and Powerdirect to retire the Powerdirect retail brand, as an ancillary outcome of this, these customers participant identifiers will need to be updated to the relevant AGL participant identifiers. Following this integration Powerdirect will surrender its retail authorisation. This is consistent with the AER's *Retail Authorisation Guidelines*, which favour the surrender over transfer of authorisations in circumstances where the retail entity that has acquired another is already authorised. We are proposing for this surrender to be effective from 9 March 2023. We believe this will allow us time to undertake any required remediation activities to ensure all customers are migrated to AGL.

AGL is seeking to ensure that, where possible, no customers are worse off due to the integration. This is supported by our guiding principles to migration, those being:

- Keeping customer experience at the centre of all decision making and ensuring customers are no worse off due to the transition to AGL
- Ensuring customers are actively engaged by AGL and Powerdirect prior to the integration to AGL
- Leveraging our experiences from recent migrations of a similar nature
- Focusing on driving value for our customers throughout the integration
- Simplifying and uplifting our processes to ensure ex-Powerdirect customers have access to the same digital experiences and value as AGL customers

We are also keen to ensure that customers have all of the necessary information to make an informed choice throughout this migration.

Finally, we have also developed detailed plans to ensure supply is not interrupted for all customers that are migrating. Specifically, these include:

- Engagement with AEMO to utilise a bulk transfer tool. This reduces the risk market based transfers can create for a migration activity of this magnitude as it does not require actual reads of customers meters, but instead can often rely the on the customers last actual meter read
- Making the surrender conditional on all customers being moved to AGL's retail entities (or customers choosing to move to another retail entity that they have entered into a contract with)

We believe that these arrangements both ensure continuity of supply for all customers but also ensure that customer detriment is avoided as much as possible.

3.1. Proposed conditions of surrender

Both AGL and Powerdirect are aware that it is common for the AER to impose conditions on the surrender of an authorisation application. As AGL understands it, the AER, Powerdirect and AGL share two common goals, those being ensuring no customers are worse off as a result of the integration activity and that all customers continue to be supplied with their respective fuels. To this end, AGL and Powerdirect are supportive of the AER imposing conditions that are aligned with the Click Energy surrender conditions, with minor amendments, as published on the AER's website.¹ For clarity, these conditions are:

1. That Powerdirect notify the AER within five business days of all customers being transferred to AGL
2. That Powerdirect ensure that customers who are transferred to AGL are transferred to a product and price that is the same as those applicable to the customers under their Powerdirect arrangement, unless any amendments give rise to a price that is effectively lower than that the customers Powerdirect arrangement provided for
3. That Powerdirect ensure that customers are transferred to AGL on the customers same terms and conditions.
4. That Powerdirect ensure that the following is recorded in AGL's systems:
 - a. Whether a customer is on a payment plan in accordance with rule 33(1) of the National Energy Retail Rules and if so:
 - i. The payment amount and frequency of that arrangement
 - ii. The commencement date and expiry date of that arrangement
 - iii. Any outstanding amounts owed under that arrangement
 - b. Whether a customer is participating the Powerdirect hardship program (as outlined in the Powerdirect Hardship Policy (attached at attachment 2)) and if so:
 - i. The details of the assistance provided to these customers
 - c. Whether a customer is recorded as requiring life support equipment at their address
5. Where a customer is on a payment arrangement in accordance with rule 33(1) of the National Energy Retail Rules, or participating in the Powerdirect Hardship Program, Powerdirect must ensure that these customers are not required to reapply to participate in the AGL Hardship Program (as outlined in the AGL Hardship Policy (attached at attachment 3)) or to be on a payment plan on the same terms, or not terms less favourable than the AGL arrangement

¹¹ Australian Energy Regulator, Notice of AER decision to grant surrender of Click Energy gas and electricity retailer authorisations, conditions and statement of reasons, 1 April 2021.

6. That Powerdirect ensure all customers on a payment plan or participating in the hardship program are informed in writing of the details of their new payment arrangements with AGL
7. For each Affected Customer who is using Centrepay as a payment option immediately prior to the transfer to an AGL Retail Contract, Powerdirect must ensure that, within the first six months of an Affected Customer being transferred to an AGL Retail Contract, AGL does not cancel a payment plan in circumstances where:
 - a. there has been non-payment in respect of the Affected Customer; and
 - b. the non-payment is a result of disruption to the Affected Customer's Centrepay arrangements caused by the transfer process.
8. That Powerdirect ensures AGL informs each customer as soon as practicable after the date the customer is transferred to AGL that:
 - a. They are no longer a customer of Powerdirect and are now a customer of AGL
 - b. that they can transfer from AGL to a new a retailer
 - c. states in a prominent and clearly identifiable manner that Energy Made Easy is the Australian Government's independent website where customers can compare electricity and gas offers to find the right energy plan for them and that unlike some commercial switching websites Energy Made Easy shows all generally available offers and does not take commission from retailers; and
 - d. includes a prominent and clearly named hyperlink directly below the information referred to in paragraph 8(c) to <https://www.energymadeeasy.gov.au/>.
9. That Powerdirect ensure AGL informs the relevant distributor of any customers life support registration within five business days of the customer transferring to AGL
10. That Powerdirect ensure AGL does not terminate a customer's contractual arrangements for at least nine months from the date that customer transfers to AGL
11. That Powerdirect ensure that any concerns, objections or complaints are recorded within Powerdirect or AGL's systems and are able to be produced to the AER upon request
12. That Powerdirect provide the AER with a report signed by the AGL Head of Governance and Assurance (or equivalent position holder) that states whether Powerdirect has complied with the above obligations.

In addition to the above, AGL is also willing to provide the AER with a written commitment from the AGL Head of Governance & Assurance that AGL will work to comply with these obligations as if they were imposed upon it.

Powerdirect is confident that it would be able to comply with obligations through its customer relationship management software.

4. Ensuring continued supply

AGL has two key focuses throughout this activity, they are:

- to ensure that there is no impact to our customers energy supply and
- to ensure that customers do not experience detriment as a result of the transfer.

To promote these, AGL has adopted an approach of replicating customers current product offerings within AGL's billing and customer relationship management system. [REDACTED]

[REDACTED] Unfortunately, there are a very small amount of GreenPower product offerings, [REDACTED] that due to their nature cannot be replicated within AGL's systems; these are detailed in section 4.2 of this document. In these circumstances AGL has adopted an approach of terminating the GreenPower add on to the customers energy plan but continuing to supply the customer under their Market Retail Contract, ensuring that all other components of the customers energy plan endure. These customers are also encouraged to contact AGL to discuss their options regarding AGL's GreenPower product offering.

4.1. Updating participant identifiers

The below tables outline the specific participant identifiers that are allocated to migrating customer sites within the relevant markets. These customers are being transferred into the applicable AGL entity for each jurisdiction.

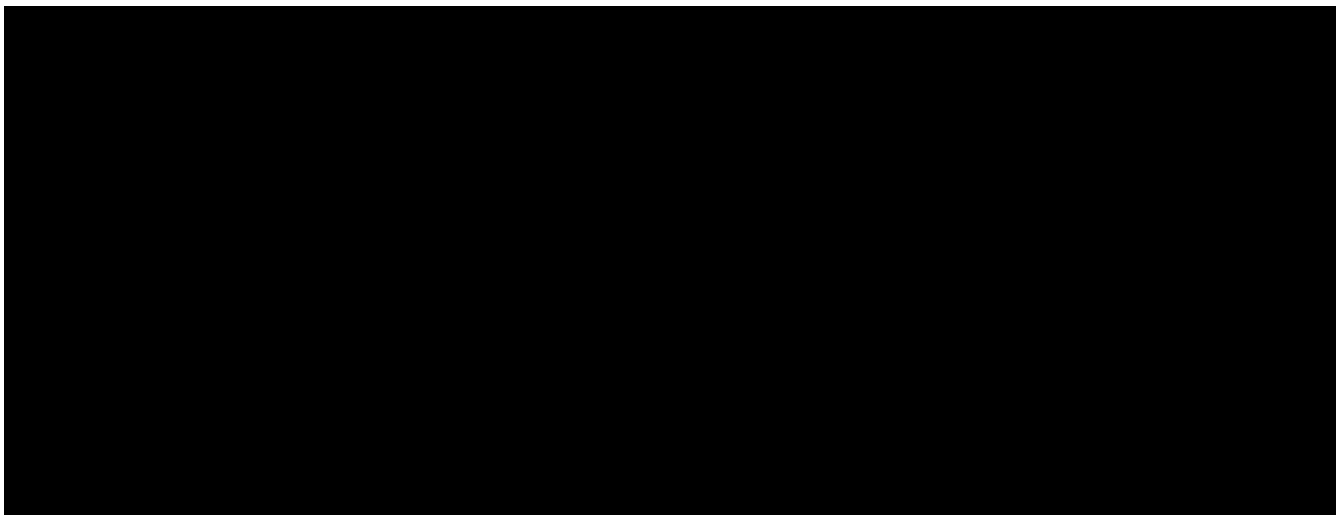
AGL has been working closely with distributors to support them through this period and is aiming to reduce impacts on their day-to-day operations, whilst also ensuring that these customers are seamlessly integrated into AGL. These engagements have been incredibly productive to date, and we are confident that any issues that arise in the migration can be managed. The role of these distributors will be to update their records to reflect the change in financially responsible market participant within the energy market. This allows the distributors to ensure they are billing the correct market participant.

As the AER would be aware, AGL has multiple entities that hold specific participant identifiers in different jurisdictions. These entities are all owned by AGL Energy and operationally customers are managed the same way across the entities. Practically speaking, the only difference a customer of AGL experiences depending on their acquiring entity is the Australian Business Number included in the footer of the customer communications.

The two entities customers are transferring to are AGL Sales and AGL South Australia, these are the entities on which a customer who transfers to AGL in the market would transfer to. AGL Sales services ~77% of AGL's electricity customer base across New South Wales, South Australia, Queensland and the Australian Capital Territory, amounting to some 1.2 million customers while AGL South Australia Pty Limited services all AGL South Australian customers, servicing some 330,000 South Australian customers.

The below table summarises which customers will migrate to which applicable AGL entity in NECF states, based on the customers distribution zone.

Customer entity transition



AGL is working with AEMO to ensure that any potential matters of hedging that are impacted are accounted for prior to the transfer. AGL wishes to reiterate to the AER that the Powerdirect customer base amounts to some ~2% of the 2.5 million customers that AGL services across in New South Wales, Queensland, South Australia and the Australian Capital Territory.

As such we do not expect any wholesale market issues to arise from the customer transfers.

4.2. Customer's products and prices

As noted throughout this document, the vast majority of customers will be migrated into AGL's systems with no change to their product or their energy rates, however these may vary at some stage, as occurs from time to time as the wholesale energy market price changes. Any potential price variations will comply with the relevant price change obligations under the customers terms and conditions and the Energy Regulations.

There is one cohort of customers who will not be integrated into AGL on exactly the same product, this is a total of ■ customers who are on Powerdirect's GreenPower product. This is because AGL has its own GreenPower product that is structured in a different manner from the Powerdirect GreenPower product. Given the requirements of the GreenPower scheme, and the significant technological investment that would be required to replicate the Powerdirect GreenPower product within AGL's product base, AGL is instead going to terminate the GreenPower component of the energy plan, under our contractual right to terminate, and inform these customers of AGL's GreenPower product offering. These customers will continue to be supplied under their Market Retail Contract without the GreenPower add on.

4.3. Customers solar feed in tariffs

AGL will be mirroring the solar feed in tariffs for all Powerdirect customers as they integrate into AGL. This means that the integration from Powerdirect to AGL will have no impact on the customers feed in

tariffs. [REDACTED]

4.4. Maintenance of customer terms and conditions

Throughout this migration, AGL will maintain the Powerdirect customers terms and conditions. These will be published on the AGL website for the customers ease. For the ARE's reference, the the Powerdirect current Market Retail Contract terms and conditions are at attachment 5.

AGL will ensure that ex-Powerdirect customers are treated in accordance with the relevant terms and conditions of their contracts by developing an ex-Powerdirect customer flag within our systems and building logic focused on that flag.

5. Promoting positive customer outcomes

5.1. Account history and attributes

Both Powerdirect and AGL are committed to supporting all customers. We acknowledge that a key requirement of this is having access to customer data following the migration. For these reasons we are migrating each customer's account history with our bulk integration. The customer data that will be migrated includes:

- Each customer's consumption history
- All account preferences and attributes, such as customer billing preferences, payment methods and concession entitlements
- Customer life support records, position in the registration cycle and their protections
- Records of customer payment history including indications of financial difficulties
- Details of any previous disputes, both internal and with ombudsman schemes
- The customers marketing communication preferences
- Any indicators of vulnerability, such as a family violence flag and associated codeword

It is worth noting that customer service agents will be able to access the customers account history and previous Powerdirect communications.

AGL will also retain the customer's preferred method of contact in all scenarios and ensure that the Powerdirect customers receive their communications about the integration in a manner that aligns to the preferred method of contact the customer has provided their explicit informed consent to receive bills and other regulatory notices by.

5.2. Continued compliance

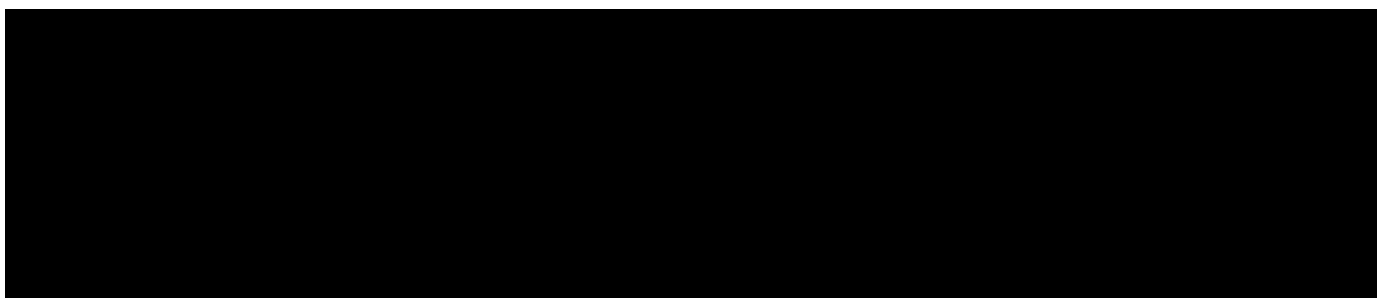
AGL and Powerdirect are committed to complying with all regulatory and legal obligations throughout this integration activity. This includes maintaining robust documentation throughout the integration and working collaboratively with our regulators, including yourselves and the Essential Services Commission. A key focus of the integration activity is to drive an improved customer outcome and a general compliance uplift.

We are also collaborating with our other external stakeholders, such as Government Departments that support the provision of customer concession entitlement and Ombudsman Schemes, distributors, and the market operator.

Performance reporting

As the AER is aware, the obligation to report for performance reporting purposes attracts to the entity that is supplying energy to customers at the point in time when the report is due. AGL's approach to performance reporting will be reflective of this. Meaning that, customers will be reported in the Powerdirect entity until such a time when they are migrated to AGL's participant identifier within the market.

A summary of this approach and relevant timings is shown in the infographic below.



5.3. Continued protections of life support customers

Both AGL and Powerdirect are committed to protecting vulnerable customers throughout the integration and thereafter. For customers that are registered with Powerdirect as using life support equipment within their home AGL confirms that these customers, if they have provided medical confirmation forms to Powerdirect will continue to be registered within AGL's systems and will not have to do anything further to confirm their protections. AGL will ensure that their records are transferred to AGL and maintained by AGL.

For customers who are registered but have not provided a medical confirmation form, AGL will be proactively contacting the customers to request they provide medical confirmation of their requirement for life support equipment and ensuring that it complies with all regulatory requirements in this regard. AGL will restart the registration process to ensure that these customers are given the maximum amount of time to register with AGL.

Powerdirect has ■■■ customers currently registered as requiring life support equipment in their home. AGL can confirm that none of these customers are at risk of disconnection during the migration process. This is because life support protections are embedded within AGL's systems at a site level – there is a hard stop preventing life support customers from being disconnected in AGL's systems.

5.4. Dispute resolution

AGL is committed to resolving any existing disputes between Powerdirect and its customers throughout this integration. AGL has access to its highly trained and experienced Dispute Resolution team, which currently support both the Powerdirect and AGL retail brands to resolve all open Ombudsman disputes in the lead up to integration.

AGL has begun engaging with each of the Ombudsman Schemes and is looking forward to collaborating with the Ombudsman Schemes to wind down the Powerdirect retail operations following integration into AGL.

Following the surrender of the Powerdirect retail authorisation AGL will be seeking to rely on its existing complaint management framework. Customer service agents will have access to the customer's account history with Powerdirect in AGL's systems. Customers will also be able to make complaints against Powerdirect through our business as usual processes and agents will be empowered to address these issues. Our experience from the Click Energy / amaysim Energy integration has shown us that, as time progresses, the likelihood of customers raising issues with Powerdirect reduces significantly.

Moreover, given the two companies are currently serviced by the same complaint management system, our dispute resolution team will be able to support customers with any complaints that are not resolved during migration as they'll have access to the details of that complaint. Customers will be able to raise complaints as per normal despite the migration.

5.5. Customer hardship policies

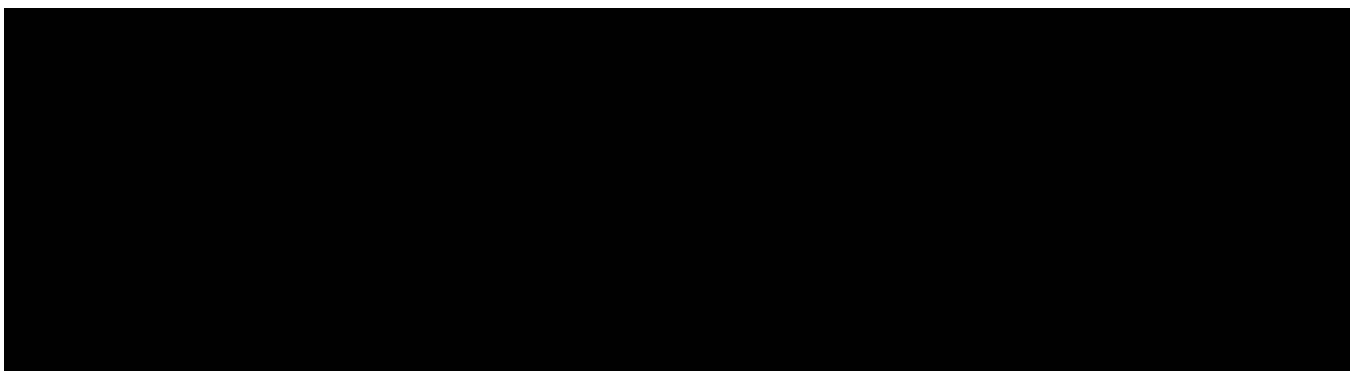
AGL has completed a detailed side by side review of the Powerdirect hardship policy and the AGL hardship policy. With minor anomalies in the language used the obligations and rights of hardship customers are identical across the two policies. AGL and Powerdirect are firmly of the view that customers are offered the same level of protection under each of the policies.

However, AGL acknowledges that there is one difference between the policies, located at clause 12 of the respective policies – programs and services. The AGL hardship policy informs customers of the AGL Energy mobile application and the AGL My Account website platform, these tools allow customers to manage their energy consumption and debt digitally, as well as offering customers energy efficiency advice. As Powerdirect does not have the same digital service for its customers this is not mirrored in the Powerdirect policy. We are confident that this minor variation will operate to give customers more protection following their integration to AGL.

AGL is committed to protecting these customers and ensuring that they are not worse off because of the integration. As they integrate into AGL's billing and customer relationship management system AGL's hardship policy will become the support policy assisting these customers. We will ensure that these customers are informed of their protections under the AGL Staying Connected hardship policy.

Currently Powerdirect offers three types of payment support options. These vary from one off payment extensions, to short term payment arrangements that cover a period of up to 12 months and then to long term hardship payment plans. These plans are all aligned to those offered by AGL, to support the AER to this end AGL has attached a comparison of these hardship policies (attached at attachment 4). AGL's technical teams are now working to map these relevant data fields from the Powerdirect customer relationship management systems to the AGL customer relationship management and billing systems to ensure that the customers payment arrangements will be migrated into AGL's system with no disruption to the customer.

To provide the AER with context, the below table details this breakdown of Powerdirect customers and their applicable payment plan solution (note this data includes Victorian customers).



AGL is aiming to migrate all active payment plans from Powerdirect's system into AGL's system and we confirm that key details of these, such as payment frequency, amount and payment dates will not be changed. Once the customer's account has been migrated into AGL we will be sending a letter to all customers on a payment plan to inform them of any updated payment details and confirming the agreed upon payment details for the remainder of their payment plan. We will also be monitoring the Powerdirect accounts and payment systems to ensure that if a customer continues to make payment towards the Click Energy account this will be reflected in their AGL account, and the customer will not be negatively penalised.

5.6. Payment channels available to customers

All payment channels will continue to be available to customers. All Powerdirect customers are being notified in writing of the migration to AGL and what it means to them. Copies of this correspondence are included in the attachments to this document.

In terms of updated BPAY codes customers will be informed of the updated BPAY codes within the customers welcome to AGL communications.

AGL will also be maintaining the Powerdirect BPAY account for at least 6 months after the integration date. This is to ensure that any future customer payments that are directed to the Powerdirect BPAY code are acknowledged and correctly allocated to the relevant customer within AGL's systems.

Following the 6 month period AGL will conduct a review of the customers that are still making payment to the Power direct BPAY details and will determine, on that basis if it needs to be retained or not. We are also in the process of exploring options with our third-party banking partner to migrate the biller code to AGL's accounts to ensure a smooth transition going forward. When this is finalised we will be able to automatically reconcile customers who have made payment to the Powerdirect biller code, prior to this we will be conducting a manual reconciliation daily.

5.7. Customers making payment via Centrepay

Currently, [REDACTED] Powerdirect customers are making payment to Powerdirect via reoccurring Centrepay deductions. AGL's ideal solution would be to migrate these customers to AGL and have their Centrepay dedications continue to AGL's Centrepay account. However, from AGL's recent experience with the Click Energy integration we understand that in order to complete this migration permission would be

required from Services Australia. AGL and Powerdirect are working with Services Australia to request this permission but, unfortunately, this matter is not entirely within the control of AGL or Powerdirect. In the unfortunate event that AGL is not able to obtain consent from Services Australia to migrate the [REDACTED] Powerdirect customers Centrepay deductions, AGL will develop a customer engagement program to contact these customers following their migration to AGL to inform them that they will need to re-establish their Centrepay deductions to AGL. AGL will contact these customers through a variety of methods and will ensure that customers are not at risk of disconnection while this process takes place.

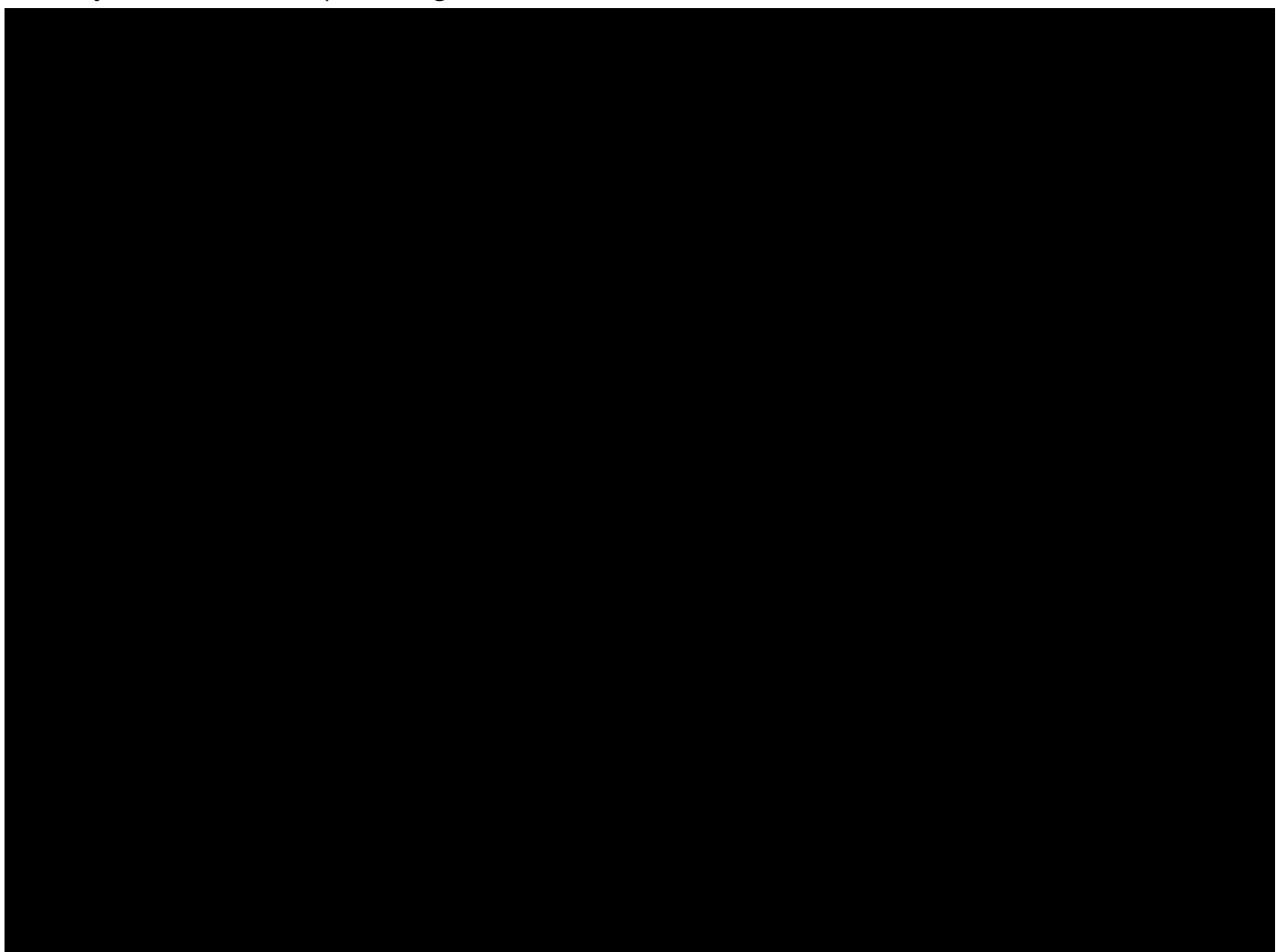
Powerdirect will also work with Services Australia to ensure all Centrepay arrangements to Powerdirect are terminated when customers are migrated to AGL.

6. Timing

As noted throughout this document, AGL is adopting a big bang approach to the migration, and will be seeking to utilise a bulk migration [REDACTED]. We have already been socialising this timeline with key distributors and AEMO and are confident this is an achievable timeframe.

Our current plan is to have all customer data migrated during this weekend as well and, from the conclusion of that weekend, to service the customers from the AGL customer relationship management and billing platforms.

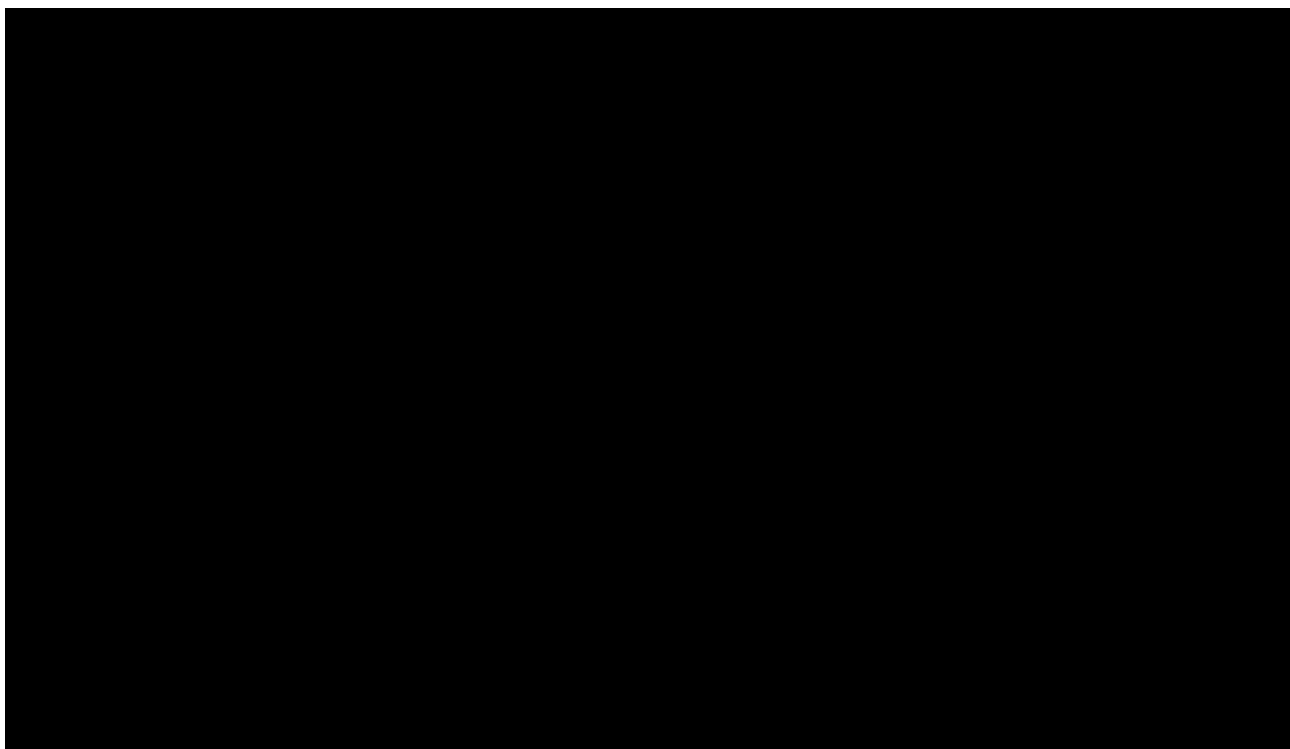
Accordingly, AGL will be seeking to have the surrender of the Click Energy authorisations effective shortly thereafter, with a specific target date of 9 March 2023.



6.1. Market engagement concerning the bulk change

As noted throughout this document, AGL has been engaging with relevant distributors and AEMO to coordinate the integration of roughly [REDACTED] into AGL's systems. We have had kick off

meetings with AEMO and distribution businesses on the use of the bulk transfer tool for this purpose. The feedback we have received has been incredibly positive and we have confirmed with our key delivery partners that the October weekend is likely to be achievable. We are still finalising certain matters with specific distributors to ensure that this work can be conducted and managed concurrently with their current program of work. The below table summarises the supply points associated with each distributor as at April 2022.



Powerdirect has attached, at attachment 6 the contact persons for each relevant distributor and their details. AGL will also provide the AER with written confirmation from these parties that they consent to the transfer.

7. Attachments

Attachment	Summary	Notes
1	<p>AGL Customer Communications, this includes:</p> <ul style="list-style-type: none"> • Communications sent from Powerdirect to AGL customers to inform them that AGL owns and operates Powerdirect and that they will be integrating to AGL • Communications sent from AGL to inform customers of the migration impacts to each customer • AGL's communications with customers to inform them that they have been successfully transferred to AGL 	<p>These documents are to be provided to the AER upon drafting. An example has been provided to the AER based on the Click Energy communications.</p> <p>These documents are provided to the AER on a confidential basis.</p>
2	The current Powerdirect hardship policy	
3	The current AGL hardship policy	
4	A comparison of the Powerdirect and AGL hardship policies	
5	Powerdirect terms and conditions	
6	Collated contact details for the relevant distributors and meter data providers and signed consent forms from the distributors	<p>These will be provided to the AER following the receipt of all required details.</p> <p>These are provided to the AER on a confidential basis</p>