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20 June 2015

Ms Sarah Proudfoot  
General Manager, Retail Markets  
Australian Energy Regulator  
GPO Box 520  
Melbourne VIC 3001

Submitted electronically

Dear Ms Proudfoot,

**Re: Review of the Minimum Disconnection Amount**

Red Energy (Red) and Lumo Energy (Lumo) welcome the opportunity to respond to the Australian Energy Regulator (the AER) on the Minimum Disconnection Amount Consultation Letter (the Consultation Letter)

Red and Lumo are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in Victoria and New South Wales and electricity in South Australia and Queensland to approximately 1 million customers.

Red and Lumo support the AER's view that the minimum disconnection amount remain at \$300. We consider that based on the indicators discussed in the Consultation Letter, the existing minimum disconnection amount remains fit for purpose in today's energy markets, and provides consumers with adequate protection from disconnection.

We consider that any increase to the minimum disconnection amount in the absence of compelling evidence that the current framework detrimentally impacts consumers may have unintended consequences, particularly regarding the ability of consumers to sustainably repay energy debts in the long term.

**Reviewing the minimum disconnection amount**

Red and Lumo are comfortable with the AER's preference to next review the minimum disconnection amount in 5 years, provided flexibility to initiate an earlier review is retained should it be deemed necessary. We consider a review would be essential should there be any changes made to the hardship requirements in the National Energy Retail Law or the National Energy Retail Rules.

Red and Lumo thank the AER for the opportunity to respond to this Review. Should you have any further enquiries regarding this submission, please call Ben Barnes, Regulatory Manager on 03 9425 0530.

Yours sincerely

**Ramy Soussou**  
General Manager Regulatory Affairs & Stakeholder Relations  
**Red Energy Pty Ltd**  
**Lumo Energy Australia Pty Ltd**