

27 April 2020

Submission to 'Proposal to delay final decisions for SA Power Networks, Energex, Ergon Energy, Directlink and Jemena Gas Networks'
Australian Energy Regulator
Level 17, Casselden, 2 Lonsdale Street
Melbourne VIC 3000

Via AERInquiry@aer.gov.au

Re: Proposal to delay final decisions for SA Power Networks, Energex, Ergon Energy, Directlink and Jemena Gas Networks

Simply Energy welcomes the opportunity to provide feedback on the Australian Energy Regulator's (AER) proposal to delay final decisions for SA power networks. Simply Energy is a leading energy retailer with over 720,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. As a leading retailer focused on continual growth and development, Simply Energy supports the development of effective tools to facilitate competition and positive consumer outcomes in the market.

Simply Energy understands the reason behind the proposed delay, including the desire for more accurate forecasts for the final 2020-25 network revenue determinations. Simply Energy supports the AER's decision to only adjust the revenue allowances in the years following the publication of the first year. By not making changes to the 2020-21 network revenue decisions, retailers will be able to more effectively complete any price-setting related activities and Default Market Offer (DMO) related changes.

Price setting

Simply Energy would highlight that any price-setting, including updating standing offers to be compliant with the DMO requires significant resources at the best of times. To comply with strict notification requirements and ensure consumers are provided adequate notice of the changes, retailers require as much lead-time as possible to complete these activities. Simply Energy is supportive of the AER, in their proposal that any revision of the final 2020-25 network revenue determination would not act as a trigger to update 2020-21 network revenue decisions.

Furthermore, Simply Energy would appreciate if the AER were able to publish both indicative and final 2020-21 network revenue determination related information. Information provided both to the network businesses by the AER, or any non-confidential elements of the networks indicative pricing proposals to the AER would aid transparency and the ability of retailers to be more prepared for any price-setting activities that they may undertake.

Concluding remarks

For the proposal to delay final decisions for SA Power Networks, Energex, Ergon Energy, Directlink and Jemena Gas Networks, Simply Energy supports the AER's approach, understanding that the proposed delay will not impact the 2020-21 network revenue determination, or the relevant network pricing, tariff structure statements and the final DMO price.

Yours sincerely

James Barton
General Manager, Regulation
Simply Energy