



25 February 2011

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

By email: AERInquiry@aer.gov.au

Dear Mr Leuner

Draft Guidance on AER approval of customer hardship policies

AGL welcomes the opportunity to comment on the *Draft Guidance on AER approval of customer hardship policies* (the **draft Guidance**) published by the Australian Energy Regulator (**AER**) in December 2010.

AGL generally supports the draft Guidance and we have only one issue on which to comment. In our view, the AER needs to draw a distinction between a retailer's hardship policy and the procedures which give effect to it. We do not consider these two things should be conflated into the one document, which once approved, is the document to be published on the retailer's website.

We would prefer to see the AER rename its document to 'Guidance on AER approval of customer hardship policies and procedures'. While it may be that some retailers will choose to publish one document which sets out all requirements in the Guidance, AGL would prefer to submit two documents for approval – one, which briefly sets out our hardship policy (to be published on our website in accordance with the obligation in the National Energy Retail Law (**NERL**)), and the other, which contains the detailed procedures behind the policy which demonstrates how we are meeting our regulatory requirements with regard to hardship.

By way of example, AGL's hardship policy is a brief statement outlining the assistance that can be provided through our Staying Connected program to customers facing payment difficulties. It is easily accessible on our website and customers wanting further information can contact us via telephone. This brief policy document has many detailed procedures supporting it which we do not make publicly available – primarily because they are working instructions for our staff to use, for example, when assessing which form of assistance would best help the customer.

Our hardship policy and the supporting procedures have been approved by the Essential Services Commission of Victoria.

As it stands the draft Guidance requires a retailer's hardship policy to set out all of the processes and procedures relating to its hardship program. It is this document which must then be published on the retailer's website. This will prevent AGL following our current approach.

While we do not take issue with the fact that processes need to be documented and approved, we do not consider that the actual hardship policy document is the appropriate



place to contain the detailed procedures. This is particularly so when it is a requirement under the NERL to publish the policy.

While this may seem like semantics, it is important to AGL that we are able to retain our succinct, publicly available, hardship policy document. We consider that it is more beneficial for our customers to have our published hardship policy presented in a way which is brief and easily understood, rather than a lengthy document overloaded with details around our business processes.

Should you have any questions regarding this submission please contact Anna Stewart, Manager Regulatory Policy and Strategy on (03) 8633 6830 or astewart@agl.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to be 'AC', is positioned below the text 'Yours sincerely'.

Alex Cruickshank
Head of Energy Regulation