

28 July 2008

Manager, MCE Secretariat,  
Department of Resources, Energy and Tourism,  
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Dear Sir

**A National Framework for Regulating Electricity and Gas (Energy) Distribution and Retail Services to Customers**

Thank you for providing an opportunity to comment on the Table of Recommendations associated with the above document.

Aurora Energy Retail concurs generally with the recommendations made, and we do not anticipate any major concerns on the adoption of a National Energy Customer Framework, particularly for electricity customers. However in Tasmania there is a more light handed approach to regulation for gas customers, and the proposed new framework would have the effect of a further layer of regulation than currently exists.

The following table offers comment in response to recommendations where there may be an issue for Aurora;

<b>Part Number</b>	<b>Subject</b>	<b>Comments</b>
Part 2 2.10	Information about credit history	<ul style="list-style-type: none"><li>• A definition is required for “unsatisfactory” credit history</li><li>• The provision of a security is a condition of connection where the retailer considers there is a financial risk associated with the customer. Requiring the retailer to inform the customer’s of their rights to dispute the decision to require the security will inevitably result in a dispute and an unpaid security.</li><li>• There is a further obligation not to disconnect prior to completion of the dispute resolution process and presumably a potentially lengthy referral to the Ombudsman. Any risk is carried</li></ul>

<b>Part Number</b>	<b>Subject</b>	<b>Comments</b>
		by the retailer until the matter is resolved.
Part 2 2.13	Application of security	Application of a security is restricted to payment of final bills following disconnection. This prevents a security being used to avert disconnection, or for purposes as agreed between a Retailer and its customer.
Part 2 2.27	Limitations on disconnection	The Ombudsman scheme in Tasmania differs to most jurisdictions in that it operates under an Act. Contrary to the SCO recommendation, the Act only prevents a retailer from disconnecting due to an unresolved complaint if the complaint is made prior to customer's account becoming overdue. The majority of complaints concern overdue accounts.
Part 2 2.29	Reconnection	The requirement is for a Retailer to offer a customer two fair and reasonable payment plans in a 12 month period. If those arrangements fail resulting in disconnection, the disconnection would appear pointless if the retailer is required to reconnect on the basis of yet another similar payment plan.
Part 2 2.43	Competitive pricing information	It is Aurora's view that any pricing information provided should relate to a standing offer or default tariff, and not pricing associated with market contracts.
Part 6 1.49	Provisions to be included in NEL	Aurora Energy has concerns regarding the proposed requirement for legal separation of entities conducting a distribution business from other related businesses. For Aurora this implies the legal separation of its Retail and Distribution businesses. We anticipate that a workable solution may exist in the "Alternative approach to Legal separation" covered by 1.53.

Yours Sincerely

Neville Horder  
**Compliance Manager**  
**Aurora Retail**