



AUSTRALIA & NEW ZEALAND
ENERGY AND WATER
OMBUDSMAN NETWORK

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Australian Energy Market Commission
PO Box A 2449
Sydney South NSW 1235

Lodged electronically at www.aemc.gov.au

Project [“ERC0134”]

Thank you for the opportunity to comment on the *AEMC Consultation on AER's Rule Change Requests related to Network Pricing*.

This is a joint submission by the members of the Australia & New Zealand Energy and Water Ombudsman Network (ANZEWON) listed below. Our core business is resolving customer disputes about the essential services of electricity, gas and in some jurisdictions, water. We are therefore able to contribute our experience of customer issues to the discussion of customer protection regulation.

ANZEWON supports the AER's stated aim of protecting consumers from paying more than necessary for a safe and reliable energy supply. While a safe and reliable energy supply is important for consumers, network costs are a key driver of energy price increases, particularly electricity.

Recent energy price rises have contributed to 'fuel stress' for increasing numbers of low income and disadvantaged consumers, and this will increase with further price rises over the next five to six years. Fuel stress is evidenced by the steady rise in complaints to jurisdictional Ombudsmen about affordability issues, with more customers facing the possibility of being disconnected from their energy supply. Detailed complaint statistics are available in the Annual Reports of the participating jurisdictional Ombudsmen, available on their websites.

1. Objective assessment of costs

ANZEWON supports the AER having the required authority to regulate network pricing in line with the terms of the National Electricity Objective - *“to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity”*.

The proposed Rule Changes would appear to enable the AER to determine the forecast of the required expenditure in a more balanced and objective manner than is currently the case. A robust assessment of all the available information, using a clear consistent and transparent list of expenditure factors, should result in a process that is objective, fair and impartial, and in the long term interests of consumers.

2. More opportunity for community consultation

The AER has proposed a change to the regulatory process to preclude networks from making submissions on their own proposals. The current process denies other stakeholders the opportunity to consider and respond to the detailed and often critical information contained in these network submissions, as they are all due at the same time.

While the various jurisdictional Ombudsmen generally have not made submissions to network pricing consultations, we support any change that would allow consumer groups to more meaningfully engage in the process. Again, this would appear to be in the long term interests of consumers, in line with the National Electricity Objective.

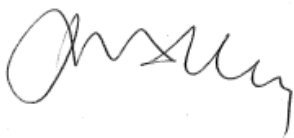
Yours sincerely




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