



20 May 2013

Review of Regulated Retail Prices for Electricity
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office
NSW 1230

Thank you for the opportunity to comment on the *Review of Regulated Retail Prices for Electricity 2013 to 2016 Electricity - Draft Report*.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

EWON notes the proposed electricity price increase for 2013-2014 of 3% (NSW average). After a number of years of double digit price increases and increasing disconnection figures¹ this proposed smaller increase is welcome, as it will reduce further pressures on NSW customers.

EWON believes that the issue of energy affordability for low income customers will remain an issue for government, industry (both retail and network), the community sector, regulators, and ombudsmen. It will possibly increase in importance if there is any significant increase in gas prices.

Affordability of essential energy services is a significant issue for low income and vulnerable customers. However, affordability issues impact on all customers through the cost of mandatory hardship programs and increasing debt books carried by retailers. Such costs contribute to increasing retail costs for all customers.

EWON along with the other energy ombudsmen, the Energy Retailers Association of Australia (ERAA) and the Australian Council of Social Services (ACOSS) recently hosted the National Energy Affordability Roundtable to discuss practical solutions to address the issue of energy affordability. The Roundtable was held in April 2013 and at its request, a report of the Roundtable outcomes has been submitted to the Standing Council on Energy & Resources (SCER) for their consideration.

¹ Customer service performance of electricity retail suppliers IPART December 2012 pg 2



In EWON's earlier submission² to IPART for this price review we included two proposals that we suggested IPART support for the benefit of both customers and retailers. These were an IPART review of the total package of customer assistance measures in NSW and reforms to the Energy Accounts Payment Assistance (EAPA) scheme. We acknowledge that the NSW Government has recently announced some improvements to the EAPA scheme, however EWON continues to believe there is value in IPART supporting a review of proposals to better assist low income customers with energy affordability issues in NSW.

Finally, EWON is disappointed to see a proposal to raise late payment fees. This proposal is particularly disappointing given that retailers have not provided the relevant detailed costing as requested by IPART³. In the absence of such detail and in consideration of the transition to the National Energy Customer Framework, the application of a CPI rise as is proposed in the Gas Determination may be a more reasonable response.

If you would like to discuss this matter further, please contact me or Emma Keene, Manager Policy, on 8218 5225.

Yours sincerely

A handwritten signature in cursive script that reads "Clare Petre".

Clare Petre

Energy & Water Ombudsman NSW

² EWON Submission IPART Review of regulated retail prices and charges for electricity 2013 to 2016, December 19 2012 pg 3

³ IPART *Review of Regulated Retail Prices for Electricity 2013 to 2016 Electricity- Draft Report pg 142*