



16 August 2018

Russell Pendlebury
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Email: submissions@aemc.gov.au

Dear Australian Energy Market Commission

National Energy Retail Amendment (Advance Notice of price changes) Rule 2018
Reference number: RRC0015

Powershop Australia Pty Ltd (**Powershop**) thanks the Australian Energy Market Commission (**AEMC**) for the opportunity to provide comments on the advance notice of price changes draft determination.

Amendment to Rule 46(4) (a) and (b) tariffs and charges

Powershop supports the AEMC's position to implement a timeframe in which retailers must notify customers of a price increase. However, Powershop's view is that a mandatory notice for a price decrease is not required. As mentioned in Powershop's submission in response to the consultation paper, retailers will generally promote price decreases as part of their communications strategy, therefore removing the need for regulation.

Further, based on our experience of providing advance notification of price changes, our view is that retailers should be able to retain the ability to notify customers by no later than their next bill as a fallback method. Powershop currently notifies customers in advance of a price change and also includes a price change message on customer bills for a short period after the new prices come into effect. This ensures customers have been made aware of the change should they miss the advance notification. Powershop's view is that removing the bill message as a fallback method, as proposed in the draft determination, while making the rule a civil penalty provision, is unnecessarily punitive and does not accommodate a situation where, through no fault of the retailer, the customer has not received the notification (e.g. where there is an email bounce back).

We would welcome the opportunity to speak with the AEMC about Powershop's practical experience providing advance notification of price changes and possible solutions to ensure the best outcome for customers.

Amendment to Rule 46(4A) (a) - (e) tariffs and charges

Powershop supports the AEMC's price variation notice content requirements.

Amendment to Rule 46(4B) (a) - (d) tariffs and charges

Powershop's view is that the exemption provided under Rule 46, 4B (a) and (b) will remove the additional layer of protection and information afforded to customers who either sign up within 10 business days of a price change or whose fixed benefit period offer happens to end during a price change period. This could be troublesome for customers given that historically some retailers have aggressively marketed offers over price change periods (e.g. extremely high discounts for a short period) meaning many customers could fall into the segment of only being provided one form of



POWERSHOP
A better power company

notification (due to signing up within 10 business days of a price change or having a benefit change with the period).

The easiest way to ensure all customers are afforded the same level of protection and the same amount of information, despite the date a customer signs up, is to remove the exemption provided under Rule 46, 4B (a) and (b).

**Amendment to Schedule 1 Model terms and conditions for standard retail contracts, 8.2
Changes to tariffs and charges**

Powershop supports the AEMC's amendments to the model terms and conditions for standard retail contracts.

If you have any queries or would like to discuss any aspect of this submission please do not hesitate to contact me.

Yours sincerely,

Haiden Jones
Operations Manager
Powershop Australia Pty Ltd

