



16 August 2013

Ms Victoria Rosen  
Energy Regulatory Manager  
Essential Services Commission  
Level 37,  
2 Lonsdale Street  
Melbourne VIC 3000

Submitted via email to: [energy.submissions@esc.vic.gov.au](mailto:energy.submissions@esc.vic.gov.au)

Dear Ms Rosen,

**Re: Draft Decision: Harmonisation of the Energy Retail Code and Guidelines with the National Energy Customer Framework**

Lumo Energy welcomes the opportunity to make a submission in response to the Essential Services Commission's (Commission) Draft Decision entitled Harmonisation of the Energy Retail Code and Guidelines with the National Energy Customer Framework (NECF) (the Draft Decision).

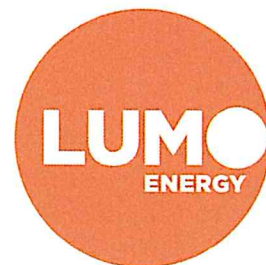
Lumo Energy is 100% owned by Infratil Limited, a company listed on the New Zealand and Australian Stock Exchanges. Lumo Energy currently retails across the National Electricity Market and gas markets in Victoria, South Australia and New South Wales, and is one of the largest second tier energy retailers. As such, it has a keen interest in the uptake of the NECF across all jurisdictions to the extent it facilitates an efficient and cost effective outcome for consumers.

Lumo Energy strongly supports the implementation of the NECF in its entirety by the Victorian government. As an interim measure, the harmonisation of the Energy Retail Code with the NECF is the most palatable option however this should be achieved with as minimal derogations as possible.

On an ongoing basis, Lumo Energy recommends that the Commission review the National Energy Retail Rule changes that are proposed to the Australian Energy Market Commission to ensure ongoing consistency between the NECF and the Energy Retail Code.

Lumo Energy does not support amendments to the 'Model Terms and Conditions for Standard Retail Contracts' clauses that are not matters of policy, such as sub-clause 8.3(c) and 9.3. These changes do not add value to retailers or consumers; in fact, they add costs. Retailers will be required to have different Model Terms and Conditions for individual jurisdictions which contradicts with the objective of harmonisation.

Lumo Energy Australia Pty Ltd. PO Box 632, Collins St West VIC 8007  
P 1300 11 58 66 [www.lumoenergy.com.au](http://www.lumoenergy.com.au)



Clarification is sought in relation to the Draft Decision regarding the intent and operation of clause 3E. Where the void transaction did involve the transfer of a customer, a retrospective transfer enables the retailers involved to fulfill its obligations under clause 3E(5) to occur in a systematic and operational method. Given that the clause applies for 12 months from the date of transaction, it is unclear how the customer will be treated outside the retrospective transfer window (130 business days in electricity and 118 days in gas).

In relation to clause 35, Lumo Energy queries whether the Commission will achieve its objective to obtain actual reads for a final bill. Clause 35 does not place an obligation on the customer to provide access to the meter or the distributor to read the meter on the date specified.

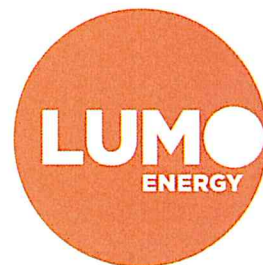
In addition to the key points above, Lumo Energy has attached a table of proposed drafting amendments for the Commission to consider in its Final Decision. These consist of drafting suggestions to further harmonise with the NECF and typographical amendments.

Lumo Energy would welcome the opportunity to participate in a Commission lead retailer forum to further discuss the draft decision. Please do not hesitate to contact me on 03 8680 6439 or Stefanie Macri on 03 8683 2427 to discuss this submission further.

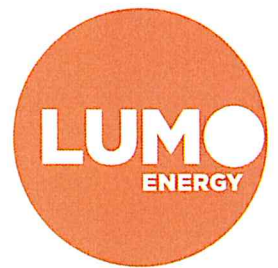
Yours sincerely

A handwritten signature in black ink, appearing to be "Aneta", with a long horizontal line extending to the right.

**Aneta Graham**  
General Manager, Regulatory Affairs & Corporate Relations  
**Lumo Energy Australia Pty Ltd**  
Att



Clause requiring amendment	Lumo Energy comment
<p><b>Definition:</b> <b><i>last resort event</i></b> in respect of a <i>retailer</i> means when:</p> <ul style="list-style-type: none"> <li>(a) the <i>retailers'</i> retail licence is suspended or revoked; or</li> <li>(b) the right of the <i>retailer</i> to acquire: <ul style="list-style-type: none"> <li>• for electricity, electricity from the wholesale electricity market; and</li> <li>• for gas, gas from a wholesale_market or a producer,</li> </ul> </li> </ul> <p>is suspended or terminated, whichever first occurs.</p>	<p>Lumo Energy notes that the termination of a gas production contract can occur for means that do not relate to a last resort event.</p> <p>Lumo Energy recommends amending the wording to be consistent with that in the National Energy Retail Law, similar to the below:</p> <p><b><i>last resort event</i></b>, in relation to a <i>retailer</i>, means any of the following events or circumstances:</p> <ul style="list-style-type: none"> <li>(a) the suspension or revocation of the retailers' retail licence;</li> <li>(b) in the case of electricity— <ul style="list-style-type: none"> <li>i. the right of the retailer to acquire electricity from the wholesale exchange is suspended; or</li> <li>ii. the retailer ceases to be a Registered participant in relation to the purchase of electricity directly through the wholesale exchange, as required by section 11(4) of the NEL;</li> </ul> </li> <li>(c) in the case of gas— <ul style="list-style-type: none"> <li>i. the right of the retailer to acquire gas in the declared wholesale gas market is suspended; or</li> <li>ii. the retailer's registration as a Registered participant, in relation to the declared wholesale gas market is revoked; or</li> <li>iii. where there is no declared wholesale gas market the retailer's registration as a Registered participant in a retail gas market is revoked.</li> </ul> </li> </ul>
<p><b>Definition:</b> <b><i>'best endeavours'</i></b></p>	<p>Lumo Energy notes that best endeavours has become a defined term, however is not italicised in the Energy Retail Code.</p>
<p><b>Clause 3F(1)</b></p>	<p>Lumo Energy notes that clause 3F(1) has two sub-clauses labeled (a). Suggest making the second sub-clause (b).</p>
<p><b>Clause 33(1)(b) and clause 33(2)</b></p>	<p>Lumo Energy notes that these clauses are not separated in the Energy Retail Code.</p>
<p><b>Clause 38(5) and clause 38(6)</b></p>	<p>Lumo Energy notes that these clauses are not separated in the Energy Retail Code.</p>
<p><b>Clause 46A(1)</b> (1) The structure and nature of the tariff of a <i>market retail contract</i> between a <i>customer</i> and a <i>retailer</i></p>	<p>Lumo Energy recommend that the Commission remove the words 'in writing' for the agreement between the customer and the retailer for the variation of a market contract. Lumo Energy is</p>



Clause requiring amendment	Lumo Energy comment
may only be varied by agreement <b>in writing</b> between the <i>customer</i> and the <i>retailer</i> . ...	concerned that the obligation of the agreement being in writing may impact parts of the community, for example customers who are vision impaired. By removing the 'in writing' obligation, the method of agreement between the customer and the retailer can be achieved through the most appropriate method for the customer.