

2-06-2020

Anonymous' second response to the Maximum prices for embedded networks
and other exempt sellers
29 April 2020

After hearing your presentation, and listening to the answers to the questions raised, I feel that you are either deliberately overlooking the service charge issue that I raised in my earlier submission, or you simply do not understand the what the problem is.

Your own introductory statement states:-

“The Australian Energy Market Commission found many embedded network customers are not sharing in the cost savings experienced by many exempt sellers, often paying more than they would in a competitive market.”

The exempt sellers receive not only a reduced energy charge, but also a reduced service charge, which they are not sharing, and have no real reason to charge the customer the same as if it were a residential property.

If you take into account the exempt seller customers, rental charge, that covers all maintenance requirements for the supply of electricity, along with the service charge that the exempt sellers are charging their customers, then the exempt seller customers are paying much more than residential customers.

It was stated at the meeting, that customers within embedded networks are protected by the Residential Tenancies act which states:-

“56 Landlord must not seek overpayment for utility charge

The landlord of separately metered rented premises must not seek payment or reimbursement for a cost or charge under section 55 that is more than the amount that the relevant supplier of the utility would have charged the tenant”

The Australian Energy Market Commission have now realized that something more has to be done to protect the customers, that this clause does not provide adequate protection, therefore they have given you the responsibility to examine all charges to the customer, not just usage charges, and define the maximum cost for each.

I believe that you have been commissioned to ensure that the service charge, charged by the exempt seller is reasonable, supported by facts, to ensure that the exempt seller customer only pays the sum that can be justified.

Please provide me with your explanation of how you justified the service charge stated in your report, and the cost analysis that you have done that justifies the charge.

The retailers of electricity would have already justified their service charges, for maintaining and servicing the power supply equipment. Likewise the exempt sellers should justify their service charges. Surely it cannot be the same as the suppliers who supply to millions of customers.

As I stated in my earlier submission, that the service charge to the customer should be the amount that the embedded network supplier is charged from the retailer, divided by the number of homes/units within the embedded network. This would then be sharing in the cost savings obtained by the exempt seller.

I would also ask you also to provide me with the estimated percentage of customers that would not be affected by the VDO, and likewise the percentage of customers within the quoted \$180 to \$370 Savings.

I am giving you the opportunity to explain fully your decision on this matter. Maybe I am missing something, but now is the time to make the details clear. Should it appear that not enough emphasis has been, or will be applied to my request, then I will be providing all of my research to the various media outlets. The reason being that service charges applied by the exempt sellers, are currently adversely affecting the cost of electricity for thousands of customers, within embedded networks.

Regards

Anonymous