

31 May 2019

Australian Competition and Consumer Commission
20/175 Pitt Street
SYDNEY NSW 2000

Re: Guide to the Electricity Code

Simply Energy welcomes the opportunity to provide feedback on the Australian Competition and Consumer Commission's (ACCC) Guide to the Electricity Code. Simply Energy is a leading second-tier energy retailer with over 700,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia.

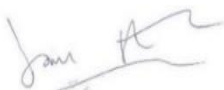
Simply Energy considers that the Code provides useful guidance that will assist retailers in complying with the requirements set out in the *Competition and Consumer (Industry Code – Electricity Retail) Regulations 2019* (Code). Having said that, Simply Energy considers that the Guide could provide further direction on the following matters:

- The scope of activities and correspondence that may be captured by the reference price requirements pursuant to section 12(2) of the Code.
 - The scope of what constitutes an offer and publication of offered prices needs to be clarified. It needs to be made clear whether the Code is only intended to cover invitations to treat, such as price-based advertising, and offers for the provision of retail electricity supply.
 - Further, Simply Energy considers that it would be helpful for retailers to be provided with further guidance on how the reference price should be used when communicating about market contract offers entered into prior to 1 July 2019. The Guide only addresses variations of existing offers.
- The types of discounts that are considered to be conditional.
 - Simply Energy considers anniversary credits are covered by this definition, but would like the ACCC to provide guidance on this matter.
 - Further, Simply Energy considers that sign-up credits are excluded from the definition of conditional discount via virtue of Code's definition which does not include discounts, rebates and credits that 'relate to the circumstances in which a small customer enters into a contract'. However, it would be beneficial for this to be addressed in the Guide.
- The application of section 13 of the Code.
 - Despite the flexibility provided for in the Code, Simply Energy considers that the methodology used for calculating an individual's estimated annual costs should be based on a consistent methodology across all electricity retailers.
 - To avoid inconsistency and customer confusion, Simply Energy suggests that the ACCC's Guide could encourage retailers to use the same approach as prescribed for calculating the 'do nothing' amount under the Australian Energy Regulator's (AER) Benefit Change Notice Guidelines.
 - It is acknowledged that to be consistent with the Code, retailers would need to assume that all conditional discount requirements have been met.

Simply Energy also encourages the ACCC to ensure that its expected language is consistent with the requirements of the AER's Retail Pricing Information Guidelines (RPIG). For example, retailers are prohibited under the RPIG from using the term 'unconditional discount.'

Simply Energy welcomes further discussion about the contents of the Guide. To arrange a discussion please contact Anthony O'Connell, Senior Regulatory and Compliance Officer, on, telephone, (03) 8807 5134 or at Anthony.OConnell@simplyenergy.com.au.

Yours sincerely



James Barton
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