

22nd November 2012

Electricity Network Regulation
Productivity Commission
GPO Box 1428
Canberra City
ACT 2601

Electricity Network Regulation – draft report

Thank you for the opportunity to comment on your draft report.

As one who has seen his peak electricity rates increase by 30% and his off-peak rates increase by more than 45% in just six months (sic!) this year I am naturally apprehensive about what is in store for me in the future. It is, therefore, of concern to me that you have recommended time-based pricing (Draft Recommendation 11.1).

‘Working families’ which are the focus of attention of our politicians should be relatively unaffected if both parents are working during the day and the children are at school. Centrelink pensioners who are at home during the day get assistance with their energy bills but self-funded retirees who are at home during the day do not. I realise that self-funded retirees are thought to be wealthy, as opposed to pensioners who are considered ‘poor’. However, I know of many pensioners who are wealthier than me. We are not all recipients of multi-million dollar payouts on retirement.

We are expected to ‘shift the time of (our) consumption to avoid higher charges in peak periods’. At my age, though, (I am closer to 80 than 70) switching off the heater during the day in a Melbourne winter would mean I would probably get pneumonia. I would urge, therefore, that the concessions accorded to pensioners be made available to those holding a seniors card. (Presumably this request should be directed to the Standing Council on Energy and Resources – Draft Recommendation 11.6).

It has been reported on ABC TV recently that whilst the energy company charges can be controlled by the state authorities to some extent they can be ‘gold-plated’ for infrastructure costs without any regulation at all. That is iniquitous and it is commendable that you have recommended a plan to try to limit such practices. (Draft Recommendation 5.1).

My recent electricity bill was \$560 compared with \$370 for the corresponding period last year. In an effort to reduce the cost in the future I have considered resurrecting my old gas heater. However, it has been reported that gas prices are set to triple soon. Is there any prospect of any relief or can we expect to be slugged for ever? Energy companies offer discounts but these are subject to the customer signing up for two or three years. I dread to think what price hikes we can expect over those periods!

I recognise that in any system of regulation energy suppliers will tend to charge the maximum allowable, regardless of their actual costs of supply. I do think, though, that, on balance, the regulation of energy prices is necessary to avoid gouging in an area where the consumer does not have much choice about whether or not to use the commodity.

Yours sincerely

Paul Brand