



Contestability Update – National Energy Customer Framework (NECF) 13/6/12

National Energy Customer Framework (NECF) go live is postponed to 2014 in NSW

Dear colleagues,

The NSW Government announced last week that they have postponed implementing the NECF in NSW until 2014. You may already be aware of this following the media release on 31 May by the Hon Chris Hartcher, Minister for Resource and Energy. Please find attached a copy of the release.

The NECF is intended to regulate the current state based laws and regulations for all electricity and gas distributors and retailers and was nominated to commence from 1 July 2012. Ausgrid was preparing to introduce a set of application forms, connection offers and contracts, policies and processes to become NECF compliant. However the NSW Government have now postponed the implementation for NSW to 2014.

Further information about NECF can be found on the NSW Trade & Investment website, <http://www.trade.nsw.gov.au/energy/customers/necf>, and further information about National Energy Retail Law can be found on the Australian Energy Regulator's website, www.aer.gov.au under the "Australian energy industry" section.

What's happening now?

Given that these future obligations will come round soon enough, Ausgrid is continuing to prepare for the NECF to ensure that any changes to how we work are in place in plenty of time.

At Ausgrid we will continue to prepare for the introduction of the NECF by:

- Refining our connection application processes;
- Finalising the customer offer and contract structure; and
- Improving our forms, policies, documentation and website.

We are grateful that this new timeline for NECF will provide us the opportunity to keep you more informed of changes to our customer material and connection process.

Thank you for continuing to work with Ausgrid to deliver a safe and reliable network to all our customers.

Regards,

A handwritten signature in blue ink, appearing to read "M Hindson", with a small flourish at the end.

Matthew Hindson
Manager Contestability
Ausgrid



The Hon Chris Hartcher

Minister for Resources and Energy

Special Minister of State

Minister for the Central Coast

MEDIA RELEASE

Thursday 31 May 2012

NATIONAL ENERGY FRAMEWORK TO COMMENCE IN 2014

The NSW Government will defer the commencement of reforms under the National Energy Customer Framework (NECF) to ensure they only commence once the Government is satisfied that consumer information protection measures are satisfactory.

The reforms fall under the Council of Australian Government's program to regulate individual state-based energy retailers in favour of a single regulatory framework, and were originally intended to commence in all participating jurisdictions from 1 July 2012.

Energy Minister Chris Hartcher said the NSW Government wanted to ensure consumers remained the focus of any reforms affecting NSW energy retailers.

"Given the commencement of Labor's carbon tax from 1 July, the NSW Government will postpone implementing NECF to ensure customers have access to more transparent information about the cost of the carbon tax and green schemes on household power bills," Mr Hartcher said.

"We will be retaining the Independent Pricing and Regulatory Tribunal's price comparison website, and will be making sure that consumers will know just how much Labor's carbon tax is likely to cost households."

From 1 July 2012, retailers will be required to prominently publish on power bills:

NSW Govt estimates that Federal carbon tax and green energy schemes add about \$315 a year to a typical 7MWh household bill – see ipart.nsw.gov.au

Legislation to implement the reforms passed the NSW Legislative Assembly last night.

Mr Hartcher said the NSW Government will continue working with retailers, the Australian Energy Regulator and other jurisdictions to increase consumer protections and rights and to ensure a smooth transition to NECF from 2014.

"It's important that we take our time to ensure adequate consumer protections are in place with prices set to rise under Labor's carbon tax," Mr Hartcher said.

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