



17 July 2009

Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

electricity@qca.org.au

Dear Sir or Madam,

AGL welcomes the opportunity to comment on the proposed amendments to the Electricity Industry Code that would require prior notification of price changes.

AGL realises the importance of prior notification of price variation. We therefore ensure that price variations provisions to this effect are drafted into our Market Contracts, excluding Large Customers contracts.

AGL does not consider it necessary for the Electricity Industry Code for electricity retailers in Queensland to include prior notice requirements because:

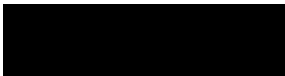
- ❖ The proposed national Australia Consumer Law¹ will prohibit clauses in contracts which are "unfair" to consumers
- ❖ It is likely that a clause which allowed variation, particularly of prices, without prior notification would cause a significant imbalance to the detriment of the consumer and therefore would be considered unfair; and therefore
- ❖ Inserting a clause dealing with prior notification into the Electricity Industry Code would unnecessarily duplicate the effect of the Australian Consumer law, which is inconsistent with good regulatory practice.

AGL also believes that:

- ❖ full retail competition within the Queensland electricity market enables retailers to set the terms and conditions which they think will attract customers;
- ❖ it is open to consumers to select their retailer of choice based upon the terms and conditions on offer; and therefore
- ❖ the QCA should allow for consumers that consider the variation aspect of a contract to be sufficiently important to be free to choose a retailer, like AGL, that contracts to notify them in advance of price changes.

If you have any questions in relation to this submission, please contact Sallie Proctor, Manager Regulatory Advice and Compliance on 03 8633 7871 or at sproctor@agl.com.au

Yours sincerely,


Alex Cruickshank,
Head of Energy Regulation

¹ This Law is expected to be operational in January 2010