

File Ref: 1463898

21 February 2022

Mr Phil Garling
Chairman
Energy Queensland
PO Box 1090
Townsville Qld 4810

Dear Mr Garling

Ergon Energy Retail – compliance with section 22A of the National Energy Retail Law (Queensland)

I write further to Energy Queensland's letter of 23 December 2021 regarding Ergon Energy Retail's breach of section 22A of the National Energy Retail Law (Queensland) (NERLQ).

As you will be aware, section 22A(2) requires a retailer to charge small customers who are supplied under a standard retail contract the notified prices for providing customer retail services. It also expressly relates to charging customers prices that are not the notified prices, regardless of how the charges are advertised on the retailer's website. We note that Ergon Energy Retail has confirmed that it charged standard retail contract customers on tariffs 12B and 22B prices that were not the notified prices for those tariffs between 1 July and mid-November 2021. Consequently, as previously advised, the QCA has determined that Ergon Energy Retail breached section 22A(2).

In determining the appropriate enforcement action, we have considered the additional information that Ergon Energy provided regarding the materiality of its breach and the measures it is developing to reduce the potential for such breaches to occur in the future. We have also considered other information provided by Ergon Energy Retail and the customer who raised the complaint with the QCA, and the matters outlined in the QCA Enforcement Guidelines.

We have determined that it is appropriate to resolve the breach administratively because:

- the breach occurred over a relatively short period of time (1 July to mid-November 2021)
- the number of customers impacted was small (14 residential customers and 111 small business customers)
- the aggregate amounts overcharged (\$1,647.13) and undercharged (\$6,897.19) are not substantial
- Ergon Energy Retail has refunded all overcharged customers and advised that it is recovering undercharged amounts in accordance with the process stipulated in the National Energy Retail Rules
- Ergon Energy Retail is developing an additional assurance program to validate future price changes to minimise the potential for such an error to occur again

- the QCA has implemented administrative resolutions with other retailers for breaches of section 22A that involved similar numbers of customers and/or aggregate financial impacts.

Given that Ergon Energy Retail is currently developing an additional internal assurance program, we would request that it provides a further report (outlining the key components of the assurance program and the date of implementation) to the QCA within 10 business days of that program being finalised and implemented. We would also encourage Ergon Energy Retail to report any future breaches of section 22A or other Queensland-specific derogations that are enforced by the QCA, to the QCA in a more timely manner.

As section 91A of *the Electricity Act 1994* (Qld) imposes similar obligations in relation to the charging of notified prices, we will provide a copy of this letter to the Department of Energy and Public Works as it is responsible for enforcing compliance with that section. We will also publish a copy of this letter on our website.

I look forward to hearing from you in due course and if you wish to discuss this matter further, I can be contacted on 3222 0501. If your staff wish to discuss this matter further, they can contact Russell Silver-Thomas on 3222 0579.

Yours sincerely

A handwritten signature in blue ink that reads "M Brennan". The signature is written in a cursive, flowing style.

Madeline Brennan QC
Deputy Chair

*cc Mr Rod Duke, Chief Executive Officer, Energy Queensland
Ms Andrea Wold, Energy Queensland*