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**From:** Philip Kennedy [REDACTED]  
**Sent:** Sunday, 11 June 2017 10:42 AM  
**To:** Retail Electricity Inquiry  
**Subject:** TRIM: RE: Energy Price enquiry Submission [SEC=UNCLASSIFIED]

[REDACTED]

I have a small addition to my submission included in the text below this line:

The gas companies have committed to sell more gas than they can supply, which to me appears to be an attempt to:

- a) Pressure the government to allow coal seam gas, so the gas companies can make more money and perhaps even to allow the USA to get coal seam gas while moving the pollution it is causing off shore.
- b) To allow a very short term price to be set when electricity shortages occur, via the rather disgraceful mechanism that sees the electricity companies bid for gas/generation capacity after electricity/gas is in short supply (such a process could only be dreamt up by energy companies who wish to gouge consumers).

The wholesale spot gas and electricity markets are madness, they create a system where a price is set when there is a short fall of supply, allowing the wholesalers to hold the retailers over a barrel to get supply. No normal business would buy this way, normally businesses negotiate a bulk long term supply charge for their resources, no normal company would leave themselves open to this sort of blackmail. Due to local disasters we have seen many cases where the \$5000MWh reporting limit has been exceeded. In SA the news has reported consumers being charge massive amounts for power due to the short term pricing, I for one as a consumer do not want to be charged an amount way above what I have agreed with the retailer. I do not buy things where the seller gets to decide a price after they supply the goods.

It seems to me to even be possible that the energy companies are being run for the benefit of foreign powers, not for our country, I feel this because the way they are being run is so bad for consumers here, that is defies belief that it could be accidental.

Further to this it seems to me that Howard and Costello have privatised the gas and electricity systems in order to transfer the governments debt to the gas and electricity consumers, it is clearly not true that the sale of these has paid off the national debt as we will ALL be paying a premium for gas and electricity forever. Paying off the national debt is a one off payment but the debt will now be paid off many times over in:

- a) Lost income to the government from profits the state run gas and fuel and SEC used to earn.
- b) Money the private owners have to earn to pay back the purchase price
- c) Gouging that the energy companies are practicing, to maximise their profits.
- d) The massive increase in marketing costs and other overheads incurred by having 8 or 6 companies instead of one.
- e) The hit on the countries balance of trade as the profits from these companies go offshore.
- f) The fact that some of these companies are owned by Canadian and Singaporean superannuation companies not our own

Another major factor in the high cost of energy at the moment is the excessive and extremely annoying marketing that these companies are practicing. This idea of having to renew your gas and electricity deal every year or two is very very annoying to consumers, the practice of advertising discounts off some magic and unmentioned number adds to the wasted time for consumers and the costs of the advertising, also the fact that the companies make it very very difficult to compare prices by using different cut off points for each rate. This means call centre costs and advertising costs are huge and the wasted time for consumers is also huge. In short these companies are no longer selling energy, they are selling huge volumes of unnecessary marketing and wasting time of customers, so energy is just a side line!

In addition the use of off shore call centres is an added cost to Australian consumers and an extra addition to the imbalance of trade. Companies that want to do business in Australia should employ people in Australia as part of being good corporate citizens, but worse that they are responsible for nuisance calls and they fail to obey the "Do not call register" rules...

Philip Kennedy