

Contract types

There are three types of energy contracts available in South Australia.

Standard retail contracts

A standing contract is a basic type of retail energy contract, which is available if you do not want to accept a market contract. The terms and conditions of this type of contract are set by the Essential Services Commission of SA (ESCOSA) under the Energy Retail Code and cannot be altered by the energy retail company offering this type of contract. AGL is the retailer that has standing contracts for electricity and Origin Energy for gas.

Market contracts

A market contract is a retail energy contract that varies from the regulated terms and conditions of the standing contract. Market contracts must still comply with the consumer protection requirements specified by the Energy Retail Code. However, tariffs, fees, discounts and other conditions are not regulated.

Default contracts

A default contract applies if you commence taking supply of electricity or gas at your supply address without first entering into a standing or market contract. The last retailer to have a contract with a customer for your new supply address will be the default retailer responsible for billing you. While the Essential Services Commission approves default contracts, the rates may be higher than standing regulated rates.

Questions to ask

Pricing

- What is included/excluded from the contract being offered i.e. GST, rebates, discounts, etc?

Billing

- How and when will I receive my bill?
- If I sign up to a 'dual fuel' contract for electricity and gas, will I receive one bill or two bills?

Payment

- How can I pay (e.g. Bpay, direct debit, Centrepay, post office)?
- Are there any charges for paying a certain way?

Terms and conditions

- How long is my contract term?
- Is the contract fixed or am I free to move without penalties?
- When will my contract commence?
- When does my cooling off period commence and how long is it?

Fees and charges

- Are there any late payment fees or other account charges (e.g. disconnection fees)?
- Will I be charged a transfer/cancellation fee if I move?
- Will I be charged a termination fee for ending my contract early?
- Is my tariff rate fixed or can it increase? Will I be notified?

Important tips

When choosing a market contract, you should shop around and understand your rights and responsibilities before entering into any contract. Remember to read carefully any contract before signing, and check that the terms and conditions match the deal described to you.



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Compare contracts

It's important to read all offers carefully and make sure you are comparing like for like. If you are comparing prices, make sure you check what has been included and what is excluded from your offer.

Check your recent bills to see how much energy you usually consume – and don't forget you may use more or less electricity depending on the season.

The electricity you use is measured in kilowatt-hours (kWh). A unit price is the price per kWh. The gas you use is measured by megajoules (mj). The price is per mj.

Energy marketing

Energy marketers can contact you in person, by phone, by mail or by electronic means and they must comply with the Marketing Code of Conduct. If you are contacted by a marketer who pressures or misleads you, contact the energy company they represent to make a complaint.

10-day cooling-off period

All energy contracts have a 10 business-day cooling-off period. After you have entered into a new market contract you have 10 business days in which to 'cool off', that is, change your mind. This period begins on the date that you receive the written disclosure statement from the energy company. In order for you to 'cool off' you will need to contact your new energy company and make it clear with them that you do not wish to proceed with the contract. It is probably best to do this in writing and send it by post, fax or email and you should keep a copy for your records. You do not need a reason for your decision.

Disclosure statements

Once you have signed a contract, your energy company must give you a written disclosure statement. It should be in plain English and

explain key terms of the contract, including prices, service levels, bill frequency, duration of the contract, available payment methods, fees and charges and early termination penalties.

Read the fine print and take your time

A contract is a legally binding agreement so it makes sense to take the time to read it carefully and ensure you understand what you're signing up to. Don't allow yourself to be pressured into signing a contract you haven't read or don't understand.

Delayed transfer

If you sign up with a new energy company, your contract will usually start after your next actual meter read. You should receive a final bill from your old energy company and a welcome letter from your new energy company to let you know your new contract has begun. Normally, this process can take a few months to complete.

Rebates

If you currently receive a pension concession from your energy company, you should make sure that your new energy company has these details.

Keep copies

Always keep a copy of any contract you sign - if there's a dispute in the future you will need all of the original paperwork.

What happens when your contract ends?

At the end of a fixed term contract, your energy company must give you at least 20 and no more than 40 days notice of expiry. You can stay with your current energy company, negotiate another deal with your current energy company, discuss standing contracts, or shop around for a market contract with another energy company.



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