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Dear Jacki,

## **Oversight of Retail Gas Contracts – Proposed Amendment to the Interpretation of Benchmark 16**

Mercury Energy appreciates the opportunity to provide feedback on the Gas Industry Company's Benchmark 16 (Exclusion of Liability).

We agree that interpretation of this Benchmark requires amendment to align with the equivalent requirement in the Electricity Authority's Principles and Minimum Terms. The proposed amendment, assessing compliance based on reasonableness is more appropriate than the original interpretation outlining levels of liability caps and assessing compliance accordingly.

As many Retailers use one Consumer Contract to cover both gas and electricity arrangements, we believe it is essential to align both sets of requirements where applicable. We would like to take this opportunity to highlight one other example of misalignment we have recently come across:

The Principles and Minimum Terms for electricity specify that in relation to estimated invoices, the Consumer Contract should:

6.2 (f) *provide that if a Consumer is required to pay estimated amounts, that:*

(ii) *the Company will provide, on request, a simple explanation of how estimates are calculated.*

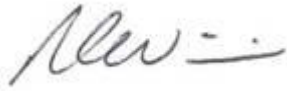
The equivalent requirement of the Benchmarks specifies that the gas supply arrangements must:

9.1 (d) *in the case of bills based on estimates, include a simple explanation of how the estimate will be calculated.*

While the intention is similar and reasonable, the wording of the Benchmark implies additional information be printed on or inserted proactively into all bills that contain an estimated read, rather than providing information on request. Explaining estimation calculations is best done on a case by case basis and it is overly simplistic to assume that there is one simple and concise explanation that would suit all situations and satisfy a consumer query without further communication as estimations can come about from many combinations of events, timings and historic data.

We would appreciate it if you could consider an amendment to Benchmark 9.1(d) in a similar fashion to the way you have approached Benchmark 16.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Williams', with a horizontal line extending to the right.

Nigel Williams  
Manager, Operations