

**REVIEW OF
ENERGY REGULATORY
INFORMATION
ENERGY INDUSTRY
GUIDELINE NO 2**

DRAFT DECISION

May 2010



1. Background

Energy Regulatory Information (Energy Retail Code Retailer) – Energy Industry Guideline No 2 (**Guideline 2**) is made by the Essential Services Commission of South Australia (**the Commission**) and provides for the collection, allocation and recording of business and operational performance data on a quarterly basis from energy retailers selling gas and/or electricity to, generally speaking, small customers. It covers a range of information requirements specified by the Commission.

Guideline 2 details the:

- nature of information that the Commission requires in order to monitor retailer performance; and
- mechanism by which this and any other information that may be required by the Commission to fulfil its functions and obligations, may be collected.

Guideline 2 does not deal with the reporting of compliance by the retailer. This is dealt with separately by Compliance Systems and Reporting – Energy Industry Guideline No 4 (**Guideline 4**). Guideline 4 outlines the Commission's expectations and requirements in relation to a licensee's compliance system and compliance reporting arrangements.

In furtherance of the Commission's objectives, in particular, the protection of the long-term interests of South Australian consumers, data collected under Guideline 2 is primarily used by the Commission to monitor and promote improvement in standards and conditions of service under the Energy Retail Code and promote economic efficiency. The data collected under Guideline 2 also forms the basis of the Commission's Annual Performance Report.

Based on stakeholder feedback and Commission requirements, the Commission has recently undertaken a review of the structure, format and content of Guideline 2 and proposed a series of amendments.

It is the Commission's intention for the amended version of Guideline 2, subject to stakeholder feedback, to become effective 1 July 2010, to capture the 2010/2011 operational performance reporting period.

2. Key Issues

The proposed amendments to Guideline 2 are largely structural and include:

1. restructuring and reformatting the content of the guideline to make it more logical and easier to understand, including:
 - a. consolidating 'Part A' and 'Appendix A1'; and
 - b. consolidating all defined terms into the Glossary.
2. clarifying reporting requirements of the guideline, including:
 - a. timing of reporting requirements;
 - b. method of reporting (electronic and hardcopy); and
 - c. responsibility statement requirements.
3. clarifying the requirements of the Operational Performance templates, including:

- a. minimising and clarifying the guidance notes;
 - b. improving the consistency of the required metrics;
 - c. removing redundant or obsolete metrics
 - d. adding in new metrics;
 - e. providing for the data collection requirements from retailers who sell to large market customers only; and
 - f. improving the defined terms and consolidating them within the Glossary.
4. Appendices 2 & 3 of Guideline 2 have been added to clarify the Commission's current process:
- a. for reporting under Guideline 2 using the Commission's online data reporting system; and
 - b. for submitting data variations to the Commission using the Commission's data variation template.

As a result of the Commission's review of Guideline 2, a small number of metrics recommended by the Steering Committee on National Regulatory Reporting Requirements (**SCONRRR**) Retail Group have been removed from the guideline due to lack of relevance and/or usefulness to the Commission's reporting requirements.

Further, the Commission has added some additional reporting metrics, specifically concerning 'hardship indicators', which the Commission understands are not inconsistent with the current interstate regulatory reporting obligations of retailers.

The Commission acknowledges the work being undertaken towards the development of the National Energy Customer Framework (**NECF**), a national regulatory regime for the electricity and gas retail sectors and the expected transfer of some of the Commission's operational performance monitoring functions to the Australian Energy Regulator (**AER**). This regime may commence in South Australia, at least in partial form, during 2011. The Commission understands that the proposed amendments to Guideline 2 are not inconsistent with this process.

A copy of the varied Guideline 2 is available on the Commission's website.

3. Period of Public Consultation

The Commission is seeking written comment on the proposed amendments to Guideline 2 from interested parties. Comments on the proposed amendments should be provided to the Commission by the close of business Friday 28 May, 2010. An electronic copy of the submission should accompany any written submission.

It is Commission policy to make all submissions publicly available via its website (www.escosa.sa.gov.au), except where a submission either wholly or partly contains confidential or commercially sensitive information provided on a confidential basis and appropriate prior notice has been given to the Commission.

The Commission may also exercise its discretion not to exhibit any submission based on their length or content (for example containing material that is defamatory, offensive or in breach of any law).

Responses to this paper should be directed to:

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