

6 April 2006

Mr P Walsh
Chair
SCONRRR Retail Working Group
c/- Essential Services Commission of SA
GPO Box 2605
ADELAIDE SA 5001

Dear Mr Walsh

Discussion Paper – National Energy Retail Performance Indicators

Thank you for the opportunity to comment on the above discussion paper, which was released by the Steering Committee on National Regulatory Reporting Requirements (SCONRRR) Retail Working Group of the Utility Regulators Forum.

EnergyAustralia's detailed comments on the questions posed in the paper are attached.

Please contact Mal Jones, Acting Manager Retail Regulatory Affairs, on (02) 9269 2575, if you have any queries.

Yours sincerely

Tim O'Grady
General Manager Retail



COMMENTS

Text from the SCONRRR Retail Working Group's Discussion Paper appears in boxes, below. EnergyAustralia's comments are the unboxed text.

Issue 1 (Telephone Service)

Comment is sought on:

- The proposed changes to the telephone service indicators, particularly if there are any implementation problems with the proposal.
- The proposed removal of the "number of overload events" indicator.

The telephone service indicator changes proposed in the paper are:

- the total number of calls should include the number of abandoned calls;
- the "average waiting time before a call is answered" indicator would record the average time before an operator answered the call ... where an IVR system is used, the average time should be calculated from when the caller selects the operator option; and
- it is proposed to delete the "number of overload events" indicator, as such events are generally rare for retailers and are more relevant for distributors following a significant outage.¹

Abandoned calls

EnergyAustralia currently reports the abandoned calls statistics to the regulators. We also already incorporate those abandoned call numbers into the total calls received. So this proposal would not impact on our current reporting.

Average time waiting before a call is answered

The inclusion of calls that are being returned from an IVR to an operator in the "time to answer" statistics can be achieved within EnergyAustralia's current telephony system. EnergyAustralia already includes these statistics in internal call centre reports.

Although the "average time waiting" measure is currently in the national template, we note that it is not currently in the NSW reporting requirements.

Overload events

EnergyAustralia supports the removal of the "number of overload events" indicator from the national template. The NSW regulator removed this reporting obligation some years ago.

¹ Discussion Paper, p.4.

Issue 2 (Complaints)

Comment is sought on:

- The proposed definition of a complaint.
- The draft complaints guideline (Appendix 1).
- The revision of complaint indicators including the proposed categorisation.

These new proposals are not supported. They constitute an increased level of intervention into, and prescription over, retailers' complaints management systems.

It is understandable that regulators want to monitor emerging issues and trends to identify systemic issues and determine if any regulatory responses are necessary. However, energy ombudsmen reports already exist that can provide regulators with this kind of information.

In our view, the retailer complaints reporting indicator should be removed, rather than expanded and made more complex with additional complaint categories and the separation of individual complaints out into multiple issues.

Issue 3 (Direct Debit Payment Defaults and Instalment Plans)

Comment is sought on:

- The proposed changes in the definition of Direct Debit Payment Defaults and Instalment Plans.
- The appropriateness of the proposed working definition for the instalment plan indicator of at least three instalments.

Direct Debit Payment Defaults

The reporting of direct debit payment defaults is not currently a requirement in the NSW jurisdiction. As with most indicators, it is generally possible to develop such a reporting capability. However, this comes at a cost, which must be borne ultimately by consumers through higher prices. We have not costed the SCORRRR's current proposal.

Instalment Plans

The instalment payment plan indicator is characterised in the paper as "another of the suite of financial disadvantage indicators".² However, under the current SCORRRR and NSW definitions for this indicator, it is not necessarily a measure of disadvantage. It can include customers who are paying off arrears over time because of a past billing problem that has nothing to do with the customer's financial situation. Such customers are simply taking advantage of the regulatory right they have to receive an equivalent amount of time to repay underchargings.

² Discussion Paper, p.8.



The most significant change that the SCORRRR seems to be proposing here is the specification that an instalment plan for the purposes of this indicator must consist of at least three instalments. This kind of minimum specification does not exist currently in NSW.³ Therefore, it would entail further IT system development and costs for EnergyAustralia. It would also require staff training to ensure that staff correctly code the payment arrangement to satisfy the precise definition.

The more complex that reporting requirements like these are made, the less likely it is that comparable information will be provided by different retailers.

Issue 4 (Proposed new affordability indicators)

Comment is sought on the proposed changes to affordability indicators.

The proposed new affordability indicators are different to new affordability indicators that are currently being considered by the NSW Minister for Energy.⁴ The indicators before the NSW Minister were developed through a lengthy working group process involving government, welfare and retailer representation. If new affordability indicators are to be imposed, EnergyAustralia supports imposition of the indicators developed through the NSW working group process.

We are concerned about the SCORRRR's proposed three new "reconnections in the same name" indicators for budget payment plan customers, concession card customers, and all customers reconnected in the last 24 months. It is not clear how such statistics help shed light on affordability. Customers can disconnect then reconnect for a variety of reasons that are not necessarily related to affordability. And many households that get disconnected for non-payment subsequently seek reconnection in a different name. Yet, it is still someone within that same household. Surely this complicates any analysis and interpretation of the same name reconnection data?

Issue 5 (Performance indicators – gas sector)

Comment is sought on the proposed inclusion of gas in the national retail template.

EnergyAustralia welcomes the inclusion of gas in the national retail template.

³ Footnote 8 on p.8 of the discussion paper states that the NSW specification is three as the minimum number of payments for the purposes of reporting this indicator. See pages 17 and 20 of the Electricity Retail Supplier Reporting Manual on IPART's website. The definition of instalment payment plan does not go into that kind of detail.

⁴ See report of the Disconnections Review Working Group, February 2006, Recommendation 6, p.30.



Issue 6 (Categorisation by fuel type)

Comment is sought on:

- The proposed introduction of electricity, gas and dual fuel categories.
- Whether telephone service or other indicators should be reported nationally on the basis of a generic energy category.

EnergyAustralia supports the introduction of electricity, gas and dual fuel categories. This will provide a more even compliance burden over retailers that concentrate on different fuel types.

EnergyAustralia also supports the inclusion of national, generic energy reporting for telephone service indicators.