



7 April 2006

National Energy Retail Performance Indicators

Essential Services Commission of SA
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Email

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Dear Sir/Madam,

Standardisation of National Performance Indicators

ENERGEX Retail Pty Ltd ('ENERGEX') welcomes the opportunity to submit comments in reference to the National Energy Retail Performance Indicators - Discussion Paper which was released for consultation by the Essential Services Commission of South Australia on behalf of the Steering Committee on National Regulatory Reporting Requirements.

As the Steering Committee would be aware, Queensland will be introducing full retail competition (FRC) from 1 July 2007. The market framework for FRC has yet to be finalised and there are currently a large number of uncertainties in the market in relation to the rules for contestability. While ENERGEX agrees in principle to the national reporting requirements, the business is of the view that there should be sufficient flexibility to review the requirements once the market framework in Queensland has been finalised.

The attached submission summarises our views in the order provided in the Discussion Paper.

Should you wish to seek clarification or discuss any issues raised, please do not hesitate to contact me on (07) 3407 4191.

Yours sincerely

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SUBMISSION TO THE NATIONAL ENERGY RETAIL PERFORMANCE INDICATORS DISCUSSION PAPER

ENERGEX concurs in principle, with the prospect of aligning current reporting requirements of performance monitoring for both electricity and gas across all jurisdictions by establishing a national set of indicators. However, ENERGEX believes that whilst reporting consistency is certainly valuable and vital to ensure ongoing improvements in the approach to customer protection, the subsequent costs and time allocation with respect to the measurement and collection of data need taken under due consideration.

ENERGEX provides the following comments with regard to the Discussion Paper.

REVISED TEMPLATE DEFINITIONS

ENERGEX appreciates the requirement for clarity amongst working definitions utilised within the current reporting framework to improve consistency in the assessment of performance both within and between jurisdictions.

Telephone Service:

The proposed changes to the telephone service indicators:

ENERGEX agrees with the modification to this current indicator definition as it provides a more accurate reflection of operator performance. The revised definition coincides with the current practices of ENERGEX and the measures used to collect telephone statistics.

The proposed removal of the 'number of overload events' indicator:

ENERGEX agrees that the 'number of overload events' indicator is not a useful performance indicator as it generally occurs in unforeseen situations and is more relevant to distribution entities. Its removal will not impact the validity of telephone service data.

Complaints:

The proposed definition of a complaint:

ENERGEX agrees with the proposed changes to the complaint definition as outlined in the Discussion Paper. This definition coincides with the current definition used by ENERGEX to collate complaint statistics.

The draft complaints guideline (Appendix 1):

ENERGEX agrees that the draft complaint guideline will be a useful tool and will assist frontline staff in identifying and categorising customer complaints.

The revision of complaint indicators including the proposed categorisation:

ENERGEX questions the value that will be obtained by Regulators with respect to the additional reporting requirement to collect the total number of times a customer contacts a retailer with regards to a complaint.

ENERGEX does not view this as a meaningful or useful performance indicator as retailers have no control over how or why a customer contacts a retailer. This statistic would not be a true reflection of how efficiently and effectively the complaint was resolved. For this reason, ENERGEX does not agree with the proposed additional performance indicator.

Direct Debit Payment Defaults:

The proposed changes in the definition of direct debit payment defaults and instalment plans:

ENERGEX agrees with proposed definition. The proposal is consistent with the definition that ENERGEX has used in the past when reporting such defaults.

The appropriateness of the proposed working definition for the instalment plan indicator, of at least three instalments:

ENERGEX agrees with the change of the current Instalment Plan definition and indicator to include a minimum of three (3) instalments in arrears or advance to continue supply and avoid disconnection. ENERGEX is of the view that this definition needs to be clearly articulated and accompany the relevant reporting template.

PROPOSED NEW AFFORDABILITY INDICATORS

The proposed changes to affordability indicators:

The requirement to collect statistics in relation to the number of customers reconnected and disconnected within a 24 month period will be difficult to collect. This is as a result of having to trace customer movements over an extended period of time and customers moving between retailers with the introduction of competition.

Whilst ENERGEX recognises the need to adopt measures to identify and minimise disconnections and reconnections as a potential indication of financial hardship, ENERGEX does not support the collection of such data over a 24 month period. Rather, ENERGEX proposes that this data only be collected over a 12 month period. Collecting data over a 12 month period coincides with current system and process capabilities.

PERFORMANCE INDICATORS – GAS SECTOR

The proposed inclusion of gas in the national retail template:

ENERGEX agrees with the notion of converging gas and electricity reporting requirements with the objective of enabling consistency and comparisons across fuel types in different jurisdictions. However, it should be noted that the inclusion of gas statistics will require system upgrades which will subsequently increase business costs.

CATEGORISATION BY FUEL TYPE

The proposed introduction of electricity, gas and dual fuel categories:

ENERGEX agrees that the introduction of a dual fuel category will provide a better indication of the number of customers that are on a single contract for both electricity and gas. However, it will need to be made clear the conditions constituting a dual fuel category in the reporting template to eliminate confusion of reporting across jurisdictions.

Whether telephone service or other indicators should be reported nationally on the basis of a generic energy category:

ENERGEX appreciates the view that greater focus should be placed on call centre performance and agrees that there is little need for distinction between gas and electricity reporting statistics. However, it is imperative that definitions and indicators pertaining to an accumulated generic energy category are made clear.

FURTHER REMARKS FOR CONSIDERATION

ENERGEX is of the view that for a national reporting system to be advantageous and valuable, all Regulators need to adopt the same standards and framework. Whilst not every indicator is relevant to all jurisdictions, there is a certain degree of consistency despite the varying frameworks. As the National framework continues to develop, ENERGEX believes there should be periods of revision to assess its practicality and achievability within the retail sector reporting.

Where significant change in reporting to the regulatory framework is imminent, it is expected that an appropriate timeframe would be allocated to allow utilities to implement effective systems to deal with new obligations.