



**EnergyAustralia**

22 February 2018

Ms Sarah Proudfoot  
General Manager,  
Retail Markets Branch  
Australian Energy Regulator  
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Dear Ms Proudfoot

### **Draft Performance Reporting Guidelines**

EnergyAustralia is pleased to make this submission to AER's Notice of draft instrument: AER (Retail) Performance Reporting Procedures & Guidelines (the Guidelines). We are one of Australia's largest energy companies, with over 2.6 million household and business customer accounts in NSW, Victoria, Queensland, South Australia and the Australian Capital Territory. We also own and operate a multi-billion dollar portfolio of energy generation facilities across Australia, including coal, gas and wind assets with control of over 4,500MW of generation in the National Electricity Market.

We know that the changes to the Guidelines are being undertaken in the face of significant increased political and consumer interest in the retail electricity market and how it meets the needs of consumers. Equally we recognise that the performance reporting requirements are proposed in order to measure the effectiveness of recent policy changes<sup>1</sup> and to provide data to guide future policy development. We can see that these objectives are reflected in the data that is being request in the draft Guidelines.

The amendments to the Guidelines significantly increases the range of performance indicators and therefore creates significantly broader and onerous reporting requirements. The requirement to start reporting against all of these obligations by 30 June 2018, will impose a significant burden on EnergyAustralia's (already stretched) reporting and data functions.

We appreciate the rationale for creating new performance indicators; however, the fact that many of the new performance indicators relate to newly introduced rules. This means that much of the data that is being sought by the AER is not necessarily fully established and in some cases is not currently being collected in a way that suits the definition in the Draft Guidelines.

For the same reasons, we expect that the data will take some time for the AER to arrive at definitions that are consistently used between retailers and provide accurate and useful

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<sup>1</sup> Australian Energy Regulatory, Notice of Drat Instrument: AER (Retail) Performance Reporting Procedures & Guidelines version 3, December 2017 p. 6.

insights. An example of a difficult to define indicator is S3.12 (Complaints – meter contestability – cost). Customers may receive a separately itemised or a bundled ongoing metering charge. Complaints about metering costs may involve:

- the entire bundled energy price (e.g. an annual price increase, or a high bill complaint),
- confusion around a new item for the metering charge on the bill,
- the itemised ongoing metering cost being higher than customer feels is reasonable, or
- an ad hoc charge for service work on the meter (usually separately itemised, regardless how the ongoing metering charges are displayed).

Without further definition, we feel it's likely that retailers will arrive at different definitions. Complaint reporting has inherent challenges in that it is critical for the handling agent or system to allocate a complaint type to each complaint when there may be several underlying reasons for the complaint. If several reasons are captured, this requires additional fields to capture the information and allow reporting. Identifying the primary reason for a complaint involves a judgement call which may not always be consistently made by agents or systems.

On a positive note we can say that some of the data being sought by the AER is already captured in our information management systems in a raw form and can be relatively easily built into a report. We can commit to building this capability by 30 June 2018.

The performance indicators which present us with the greatest concern at those where the data is not currently captured in a readily useable form. Each of the performance indicators which fall into this category will require additional development work and we are unlikely to be able to build all these reports by the due date.

These will be further complicated where:

- data is not available in our reporting system,
- data is available in our reporting system, but it requires complex logic to be applied to derive the indicator specified in the Guidelines,
- data is available in disparate reporting systems and is not brought together in a system or report for any other business purpose,
- the indicator measures movement over the quarter where the only way to determine this is to compare a data snapshot at the end of each quarter (basing the report only on data snapshots also creates problems for auditability and can necessitate storing a large amount of data to allow the reports to be checked or audited later).

It is this category of information which is of most concern to us in giving effect to AER's objective of measuring performance of retail markets in the area of new policy development. We are concerned we will not meet the 30 June 2018 timeframe. While we know it will take time to undertake the work required to give effect to these obligations, the actual time commitment remains unknown until we can carry out the detailed scoping work.

We have provided a confidential attachment showing the indicators in the Guidelines that we consider are likely to take us more time to develop or need further consultation on the definition.

EnergyAustralia proposes that AER should consider a phased introduction of the new performance indicators. Performance indicators that are easily adopted by retailers could be rolled out first and those other performance indicators that require more detailed work to capture data and report on could undergo further consultation on the individual requirements.

EnergyAustralia looks forward to continuing to work cooperatively with AER on ways to improve reporting procedures before these are finalised. Should you require further information regarding this submission please call Samantha Nunan on (03) 8628 1516.

Yours sincerely

**Melinda Green**

Industry Regulation Leader