



420 Flinders Street, Townsville QLD 4810
PO Box 1090, Townsville QLD 4810

ergon.com.au

19 February 2018

Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

MarketPerformance@aer.gov.au

Dear Sir/Madam,

Ergon Energy Queensland submission to the AER (Retail Law) Performance Reporting Procedures and Guidelines

Ergon Energy Queensland (EEQ) welcomes the opportunity to provide comment to the Australian Energy Regulator (AER) on draft version 3 of the AER (Retail Law) Performance Reporting Procedures and Guidelines (the Guidelines).

EEQ recognises the importance of retail performance reporting and the wide use of the data by governments and industry for service improvement and policy-making. Enhanced reporting can only assist EEQ's business, and the industry in general, and EEQ broadly supports the changes to the Guidelines.

However, many of the proposed amendments to the Guidelines will have significant impacts on EEQ, increasing the type and quantity of data to be captured and reported to the AER. Such changes will require significant and costly changes to reporting systems and processes. This applies even if EEQ is currently capturing this information as the data may not be allocated in a way that enables reporting in the manner required.

EEQ also notes the importance of testing and stabilising any system changes prior to full implementation. A rushed implementation has the potential to create additional issues with data integrity and the timeliness of reporting. On this basis, EEQ strongly requests that the AER consider deferring the implementation date for these changes to 1 July 2019 to allow sufficient time to enable retailers to make the necessary technical changes to reporting systems, as well as testing to ensure a robust compliance system.

In addition, EEQ seeks to emphasise that the integrity of the reporting depends to a large extent on the definitions associated with different metrics and EEQ seeks clarification in this regard in a number of areas. Any changes to the reporting may benefit from further clarification of consultation on definitions.

EEQ's detailed comments on the draft amended Guidelines are provided in the attached response. Should the AER require additional information or wish to discuss any aspect of EEQ's submission, please contact me on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours sincerely

Jenny Doyle
General Manager - Regulation and Pricing
Telephone: (07) 3851 6416 / 0427 156 897
Email: jenny.doyle@energyq.com.au

Attachment - EEQ comments on draft amended Guidelines

**Ergon Energy Queensland
response to
AER Notice of Draft
Instrument:
AER (Retail) Performance
Reporting Procedures &
Guidelines
- Version 3**

February 2018

Amendments to AER (Retail Law) Performance Reporting Procedures and Guidelines

AER propose that the resulting version 3 of the Guidelines takes effect from 1 July 2018, with retailers required to report the new data set from quarter 1 2018-19 (due 31 October 2018).

Amendments to Section 2: Obligation to submit information and data on performance to the AER

Section	Currently states	Proposed amendment	Description of change
2.2.2 Quarter 4 and Annual Reports	The Quarter 4 and Annual report on all performance indicators for the relevant financial year must be submitted by 31 August in each year.	The Quarter 4 and Annual report on all performance indicators for the relevant financial year must be submitted by 31 July in each year.	Retailers must report under 2.2.1 on quarters 1, 2 and 3 by the end of the next month after that quarter. Bringing in line the reporting timeframes of quarter 4 will ensure greater consistency and more timely publication of data.
<p>Ergon Energy Queensland (EEQ) does not support the proposed change.</p> <p>The proposed amendments to the (Retail Law) Performance Reporting Procedures and Guidelines (Guidelines) will introduce a number of new metrics with complicated data requirements. Given the extensive business reporting requirements in July each year, EEQ seeks to retain the existing submission deadline of 31 August to enable the compilation of an accurate and complete report for the AER. This would align with the AER’s recently updated Compliance Procedures and Guidelines – version 5, published in December 2017, which retained the existing deadline of 31 August for the June (annual) report. A similar timeframe was retained for the December report (28 February).</p>			

Section	Currently states	Proposed amendment	Description of change
2.3.5 Manner and form in which information and data must be submitted	(absent)	Where there is more than a 10% variation in the data reported from the previous reporting period, then an explanation for the variation must be provided.	Currently there is a provision that allows retailers to provide this information, but it is not mandatory. This amendment will assist the AER to report on reasons for substantial changes within a retailer's data. We have also seen an increase in the provision of inaccurate data in recent reporting periods, much of which is identified by AER staff rather than proactively by retailers. We consider this requirement will assist in ensuring greater retailer attention to the data being provided.
<p>EEQ does not support setting the mandatory variance reporting threshold at 10 per cent.</p> <p>EEQ voluntarily provides explanations in reporting to clarify issues or variances. However, EEQ believes that such a threshold is too low and will require explanations for unnecessary and non-material variations. For example:</p> <ul style="list-style-type: none"> - seasonal changes may result in variances greater than 10 per cent - de-energisations in the December protected period delayed until January will impact on Q2 & Q3 reporting any changes to metrics with very low reported numbers will result in a large variation in percentage terms. – e.g. a change in marketing complaints from 8 to 12 is arguably not material but being 50 per cent variance would require written explanation. <p>EEQ considers that a more appropriate threshold for explanation could be where variance is greater than 25% and/or greater than 250. These thresholds would ensure meaningful explanations are provided for material variations in reporting.</p>			
2.4.1 Process for submission of reports	AERInquiry@aer.gov.au	MarketPerformance@aer.gov.au ...or as advised in writing by the Australian Energy Regulator.	Amendment to update the email address. The further amendment will enable a single point of submission for the way in which retailers deliver performance data to the AER.
No comment on this change.			
A3 - Accompanying commentary template	Fax number	Removal of fax number	Removal of fax number as this is no longer a preferred method of contact.
No comment on this change.			

Amendments to Schedule 2: Retail market overview

Indicator	Information and data required	Description of change
S2.2 Offer of standard retail contracts to small market offer customers (Quarterly)	DELETED	The AER can obtain this data through other means (provision of offers to Energy Made Easy) so is removing this metric.
No comment on this change.		
S2.3 The number of customers that have moved from standard to market retail contracts (Quarterly)	<p>Retailers are required to submit:</p> <ul style="list-style-type: none"> (a) the total number of customers that have moved from standard to market retail contracts for the supply of electricity, and (b) the total number of customers that have moved from standard to market retail contracts for the supply of gas, and <p>during the relevant reporting period in each of the following customer categories:</p> <ul style="list-style-type: none"> i. Residential customers ii. Small business customers iii. Large customers (this should also include any large customers on other contract types) <p>For the purposes of this indicator, the number of contracts held by small business customers must be presented as including small market offer customers.</p> <p>A customer who purchases both gas and electricity under a single market retail contract with a retailer should be counted as one electricity customer and one gas customer.</p> <p>For the purposes of this indicator, the consumption threshold determined by the relevant jurisdiction should be applied.</p>	<p>This requirement will provide further transparency around consumer engagement with their electricity and gas contracts.</p> <p>Specifically, it will provide insight into the number of consumers seeking better offers without switching retailer.</p>
Queensland legislation prevents EEQ from offering market retail contracts for electricity, and EEQ does not supply gas.		

Indicator	Information and data required	Description of change
<p>S2.4 The number of customers on a market retail contract with an expired fixed benefit (Quarterly)</p>	<p>Retailers are required to submit:</p> <ul style="list-style-type: none"> (a) the total number of customers on market retail contracts where their initial fixed benefit period has expired for the supply of electricity, and (b) the total number of customers on market retail contracts where their initial fixed benefit period has expired for the supply of gas, and <p>held on the last calendar day of the relevant reporting period in each of the following customer categories:</p> <ul style="list-style-type: none"> i. Residential customers ii. Small business customers iii. Large customers (this should also include any large customers on other contract types) <p>For the purposes of this indicator, the number of contracts held by small business customers must be presented as including small market offer customers.</p> <p>A customer who purchases both gas and electricity under a single market retail contract with a retailer should be counted as one electricity customer and one gas customer.</p> <p>For the purposes of this indicator the consumption threshold determined by the relevant jurisdiction should be applied.</p>	<p>This requirement makes mandatory a commitment made by retailers at the August 2017 roundtables with the Prime Minister.</p> <p>It will provide a measure of customer engagement in the market and provide a metric for assessing the impact of the AEMC's Rule Determination, National Energy Retail Amendment (Notification of the end of a fixed benefit period) Rule 2017.</p>
<p>Queensland legislation prevents EEQ from offering market retail contracts for electricity, and EEQ does not supply gas.</p> <p>EEQ seeks further guidance and clarity from the AER on this reporting requirement:</p> <ul style="list-style-type: none"> - Is reporting only required where the contract fixed benefit period has expired during the reporting period <u>or</u> for all customers who remain on a contract where a fixed benefit period has ended regardless of when the fixed benefit expired? - Will a customer need to be reported across multiple reporting periods if they choose to not enter into a new contract with a fixed benefit period? 		

Indicator	Information and data required	Description of change
<p>S2.5 The number of unknown or deemed customers (Quarterly)</p>	<p>Retailers are required to submit:</p> <ul style="list-style-type: none"> (a) the total number of deemed customers taking supply of electricity after 120 days, and (b) the total number of deemed customers taking supply of gas after 120 days, and held on the last calendar day of the relevant reporting period in each of the following customer categories: <ul style="list-style-type: none"> i. Residential customers ii. Small business customers iii. Large customers (this should also include any large customers on other contract types) <p>For the purposes of this indicator, the number of contracts held by small business customers must be presented as including small market offer customers.</p> <p>For the purposes of this indicator, the consumption threshold determined by the relevant jurisdiction should be applied.</p>	<p>New condition to require reporting on the number of customers taking energy supply but who have not yet engaged with the market by establishing an account and entering into a preferred contract.¹⁹</p> <p>It is appropriate for retailers to report on the number of customers that have not created accounts where energy supply has been provided for over 120 days, given that a bill is expected to have been issued after one, two or three months to prompt contact.</p>
<p>EEQ understands that the nature of this metric is to report on the incidence of unknown customers. EEQ requests that the AER provide additional clarification on how a retailer should classify a deemed or unknown customer when they do not hold any information for that customer. In particular, should the customer category be based on the category of the last known occupant of the premises or an alternative method? EEQ notes that using the last known occupant may impact the accuracy of reporting.</p> <p>EEQ seeks further guidance and clarity from the AER on this reporting requirement:</p> <ul style="list-style-type: none"> - Should the metric only consider unknown move-in customers <u>or</u> should retailers also consider carry-over customers (with a deemed arrangement where contract has ended) in this metric? 		

Indicator	Information and data required	Description of change
<p>S2.6 The number of customers with Type 4 or 4A smart meters and reasons for installation</p> <p>(Quarterly)</p>	<p>Retailers are required to submit the total number of small customers with Type 4 or 4A meters installed:</p> <ul style="list-style-type: none"> (a) under the New Meter Deployment (b) as part of a meter repair or replacement schedule (c) as part of a new connection, and (d) as per a customer’s request. 	<p>New condition to require a retailer to report on metering activity as part of the retailer led program to install smart meters.</p> <p>This requirement will provide an indication of the progress of the retailer led smart meter installations.</p> <p>This requirement will provide a clear indication regarding the reasons for the installation of the smart meter and the way that Power of Choice reforms are influencing the energy market</p>
<p>EEQ seeks further guidance and clarity from the AER on this reporting requirement:</p> <ul style="list-style-type: none"> - Is the “Total Number” requirement referring to the number of meters installed during the reporting period or a cumulative total of all meters for the retailer? If a cumulative total, which start date should be used (e.g. commencement of new metering rules on 1/12/2017; new reporting obligation date 1/7/2018 etc.). - How will type 4 meters installed before 1/12/2017 be treated? If reporting is to apply retrospectively, reasons for installation may not be available or evident. For example, EEQ has not collected data on ‘smart meters’ prior to 1/12/2017. - If a smart meter is churned, is the retailer required to still report on the original installation of the smart meter, or only the most recent installation? 		

Indicator	Information and data required	Description of change
<p>S2.7 Types of tariff structures for electricity customers with smart meters (Quarterly)</p>	<p>Retailers are required to submit (where a customer has a smart meter installed):</p> <ul style="list-style-type: none"> (a) The total number of customers receiving only a flat rate retail tariff <ul style="list-style-type: none"> i. On market retail contracts ii. On standard retail contracts (b) The total number of customers receiving a time-of-use or a flexible retail tariff <ul style="list-style-type: none"> i. On market retail contracts ii. On standard retail contracts (c) The number of customers: <ul style="list-style-type: none"> i. that have a distributor based flexible network tariff, and ii. of those with a distributor based network tariff, the number of customers where there is corresponding flexible retail tariff. 	<p>New condition to require a retailer to report on metering activity as part of the retailer led program to install smart meters.</p> <p>This requirement will take into consideration reform in the metering space and also reform of distribution pricing. It is important to understand how retailers respond to changes in the market, and how customers then respond to available flexible tariff options.</p> <p>Given the significant changes in metering technology the installation of smart meters will give way to a range of new tariff options for both retailers and customers.</p> <p>It will be important to monitor where retailers in different jurisdictions can choose to opt-in or opt- out of flexible tariff options.</p> <p>In monitoring these tariff structure reforms it is critical to understand the effectiveness of these changes in order to manage communication with customers (particularly through the price comparator website, Energy Made Easy).</p>

EEQ seeks further guidance and clarity from the AER on this reporting requirement:

- Do smart meter reporting obligations apply to Type 4, Type 4A or both? (EEQ notes various definitions of “smart meter” e.g, Version 3 of Performance Reporting Procedures and Guidelines define smart meters in the context of ‘Metering Contestability’ as competitive deployment of smart meters also known as Type 4 or Type 4A’. However, prior publications from AER refer to smart meters as “A smart meter (also known as an advanced meter or ‘type 4’ meter) is a device that digitally measures your energy use”.)
- Does this reporting requirement for new type 4/4A only apply to meters installed since the commencement of new metering rules on 1/12/2017?
- Is this reporting obligation only for new type 4/4A meters installed in the reporting period or ALL smart meters installed by the retailer in the market?
- Does the reporting requirement apply to small customers only or all customers?
- How should customers with both a flat rate and a time-of-use tariff be reported? Should they be reported twice or should some hierarchy be applied – i.e. should only primary tariffs be reported or all tariffs (controlled load will always be flat but are not primary)?

Indicator	Information and data required	Description of change
<p>S2.8 Types of tariff structures for solar electricity customers (Quarterly)</p>	<p>Retailers are required to submit:</p> <ul style="list-style-type: none"> (a) The total number of solar customers receiving a government funded feed-in tariff (b) The total number of solar customers receiving a retailer (only) funded feed-in tariff 	<p>New condition to require a retailer to report on solar tariff information.</p> <p>This requirement will identify the number of customers that are benefiting from government funded feed-in tariffs and how changes to this over time this will inform policy development and review.</p> <p>This requirement will provide an indication as to whether retailers are offering customers attractive solar market offers, in place of government funded feed-in tariffs.</p> <p>As network tariff reform and retailer tariff innovation develops it will be important to understand how tariffs impact customers.</p>
<p>EEQ currently undertakes significant reporting to local jurisdiction regulators who have responsibility for state based solar schemes.</p> <p>EEQ seeks further guidance and clarity from the AER on this reporting requirement :</p> <ul style="list-style-type: none"> - Is the reporting obligation seeking to capture the number of solar customers eligible for the solar feed-in tariff at end of the relevant reporting period OR the number of customers that have received a credit in the reporting period? - The definition of a government funded feed-in tariff is required - is it AER's intention to capture data on government mandated schemes which are recovered through network charges via a cost pass through arrangement? <p>EEQ also notes that it is not clear if this requirement will provide an accurate indication as to whether retailers are offering attractive solar market offers. Government funded/mandated schemes are generally more generous than retailer feed-in tariffs and movement of customers from government to retailer schemes would reflect loss of eligibility for government scheme (e.g. moving house) or cessation of the government scheme rather than retailer schemes being more attractive.</p>		

Amendments to Schedule 3: Customer service and complaints

Indicator	Information and data required	Description of change
<p>S3.8 Complaints-meter contestability – meter installation</p> <p>(Quarterly)</p>	<p>In each participating jurisdiction, retailers must report the number of complaints made in the reporting period about the installation of a Type 4 or 4A meter by:</p> <p>(a) residential customers; and</p> <p>(b) small business customers.</p>	<p>New condition to require a retailer to report on the progress of the retailer led smart meter rollout in line with Power of Choice.</p> <p>This requirement will provide transparency regarding effective retailer interaction with customers regarding the installation process.</p>
<p>EEQ seeks clarification from the AER that the intent of this new requirement is to capture the incidence of customer complaints related to the installation of a new type 4/4A meters by retailers, regardless of their driver. EEQ believes that a clear definition of the meter installation process would assist retailers to report on this requirement, including clarification of the reason for installation.</p> <p>EEQ notes that system changes will be required to provide the data for this indicator. EEQ records captures data on customer complaints however this data is not separated into sub classes such as meter installation, de-energisation, meter data, privacy or cost. To be compliant with the proposed requirement, EEQ would need to create new sub classes for data in our information system. It is difficult to precisely quantify the likely costs of the required system changes. However, EEQ estimates that the required system changes could cost up to \$700,000 and take at least six months to design, approve, implement and test (depending on changes required).</p>		
<p>S3.9 Complaints-meter contestability de-energisation</p> <p>(Quarterly)</p>	<p>In each participating jurisdiction, retailers must report the number of complaints made in the reporting period about issues relating to the de-energisation of a premises for the installation of a Type 4 or 4A meter as a result of the installation process by:</p> <p>(a) residential customers; and</p> <p>(b) small business customers.</p>	<p>New condition to require a retailer to report on complications regarding the cessation and continuation of electricity supply for customers that arise out of the installation of the smart meter rollout.</p> <p>This could also include de-energisation issues that arises out of a defect.</p>
<p>EEQ seeks clarification from the AER that the intent of this new requirement is to capture the incidence of customer complaints related to the de-energisation <u>of a premises</u> for the installation of a new type 4 or 4A meter by retailers., rather than de-energisation of the Type 4/4A meter. For clarity, EEQ proposes minor redrafting of this requirement</p> <p>Compliance with this requirement will require material system changes. Please refer to our response to S3.8.</p>		

Indicator	Information and data required	Description of change
<p>S3.10 Complaints-meter contestability – meter data (Quarterly)</p>	<p>In each participating jurisdiction, retailers must report the number of complaints made in the reporting period about Type 4 or 4A meter data by:</p> <ul style="list-style-type: none"> (a) residential customers; and (b) small business customers. 	<p>New condition to require a retailer to report on complaints that arise from customers regarding the collection, storage, sharing and provision of their electricity usage data. Complaints relating to meter data may relate to the way the data is presented on a bill or the change in the way usage information is provided to a customer.</p> <p>This requirement will assist to demonstrate the effectiveness and take up of the new 30 minute interval data that will be available and how retailers are communicating this to customers.</p>
<p>Compliance with this requirement will require material system changes. Please refer to our response to S3.8.</p>		
<p>S3.11 Complaints-meter contestability – privacy (Quarterly)</p>	<p>In each participating jurisdiction, retailers must report the number of complaints made in the reporting period about privacy issues in relation to Type 4 or 4A meters:</p> <ul style="list-style-type: none"> (a) residential customers; and (b) small business customers. 	<p>New condition to require a retailer to report on customer complaints that arise out of privacy concerns in relation to the smart meter rollout.</p> <p>These complaints may be in relation to retailers having increased visibility of a customer’s usage information, or the sharing of the usage data with another agency such as the third party meter provider, third party meter data provider, or other agency or party.</p>
<p>Compliance with this requirement will require material system changes. Please refer to our response to S3.8.</p>		
<p>S3.12 Complaints-meter contestability – cost (Quarterly)</p>	<p>In each participating jurisdiction, retailers must report the number of complaints made in the reporting period about the cost of a Type 4 or 4A meter:</p> <ul style="list-style-type: none"> (c) residential customers; and (d) small business customers. 	<p>New condition to require a retailer to report on customer complaints about the cost to install a smart meter, or any ongoing costs, as part of the retailer led rollout.</p> <p>Complaints relating to the cost of the smart meter will provide transparency regarding customer dissatisfaction with additional costs incurred regarding the installation of a smart meter via the retailer led rollout</p>
<p>Compliance with this requirement will require material system changes. Please refer to our above response to S3.8.</p>		

Amendments to Schedule 3: Handling customers experiencing payment difficulties

Indicator	Information and data required	Description of change
<p>S3.15 Nature of repayment agreements – fortnightly amounts (Quarterly)</p>	<p>Total number of electricity and gas customers repaying debts:</p> <p>(a) residential customers (excluding hardship program customers); and</p> <ul style="list-style-type: none"> i. less than \$50 per fortnight ii. \$50 to less than \$100 per fortnight iii. \$100 to less than \$200 per fortnight iv. \$200 or more per fortnight. <p>(b) small business customers</p> <ul style="list-style-type: none"> i. less than \$50 per fortnight ii. \$50 to less than \$100 per fortnight iii. \$100 to less than \$200 per fortnight iv. \$200 or more per fortnight <p>at the end of the reporting period in each participating jurisdiction.</p>	<p>This amendment has been made to provide greater transparency around affordability issues and how energy debt impacts customers.</p> <p>This data will provide greater detail of actual and/or perceived affordability issues facing energy customers. Using this information will assist benchmarking how customers with payment plans are managing their ongoing energy costs.</p> <p>The amounts are based on an assumption that a standard customer will spend on average (based on annual median bills)20 \$66 per fortnight on a market electricity offer and \$79 on a standing electricity offer, and \$42 per fortnight on a market gas offer and \$45 per fortnight on a standard gas offer.</p>
<p>EEQ has found that in the majority of cases customer repayment of debt is not as straight forward as simple fortnightly instalments. Customer repayments vary widely and include one off payments, up front balloon payment then instalments of varying frequency, and regular and irregular instalments of varying amounts and frequency (weekly, monthly etc.).</p> <p>EEQ seeks clarification from AER in the following issues:</p> <ul style="list-style-type: none"> - if only fortnightly payment arrangements are to be included OR if retailers are expected to “convert” payment arrangements to a fortnightly figure. If such a conversion is required, clear guidance is required on this calculation and what should be included. - the term “repayment agreement” is not defined in the Guideline. However, “repayment plan” is a defined term in Guideline as an arrangement where customer is repaying debt in 3 or more instalments. What should be used for this metric of repayment agreement? <p>EEQ also notes that there is high risk of variable information under this revised metric.</p>		

Indicator	Information and data required	Description of change
<p>S3.18 Number of residential customers that have aged debt. (Quarterly)</p>	<p>The total number of customers (not on a hardship program) who have accrued an average debt:</p> <ul style="list-style-type: none"> a) \$1000 to less than \$1500 <ul style="list-style-type: none"> i. where the debt is more than 12 months old but less than 24 months old ii. where the debt is 24 months or more old b) \$1500 to less than \$2000 <ul style="list-style-type: none"> i. where the debt is more than 12 months old but less than 24 months old ii. where the debt is 24 months or more old c) \$2000 or more <ul style="list-style-type: none"> i. where the debt is more than 12 months old but less than 24 months old ii. where the debt is 24 months or more old at the end of the reporting period in each jurisdiction. 	<p>New condition to require a retailer to report on the age of non-hardship customer debt.</p> <p>This will provide an indication as to the ability of the customer to manage debt with the assistance of the retailer outside of a hardship program.</p>
<p>EEQ seeks the following clarifications from AER on this proposed new indicator:</p> <ul style="list-style-type: none"> - Explanation of an “average” debt and how is it calculated - Is the AER’s intention to capture information on customers whose total energy bill debt balance exceeds the dollar thresholds for each time bracket? EEQ notes that a customer could have aged debt in multiple bandings. Would customers be reported multiple times or is there some other way to calculated and report this? 		
<p>S3.20 Number of residential customers that have missed one or more pay on time (or conditional) discount. (Quarterly)</p>	<p>Total number of electricity and gas:</p> <ul style="list-style-type: none"> (a) residential customers; and (b) small business customers <p>that have missed receiving pay on time discounts due to making a late or missed payment during the reporting period.</p>	<p>New condition to require a retailer to report on how many customers have missed a pay on time discount that they would have been able to obtain through the terms and conditions of their contract.</p> <p>This data will assist in demonstrating the effectiveness of pay on time discounts for customers and the actual benefit they serve.</p>
<p>No comment on this change.</p>		

Indicator	Information and data required	Description of change
<p>S3.25 Number of residential customers who have been referred to an external credit collection agency for the purposes of debt recovery – account status (Quarterly)</p>	<p>Number of residential electricity and gas customers who were referred to an external credit collection agency for the purposes of debt recovery, where:</p> <ul style="list-style-type: none"> (a) the customer currently holds an open account with the retailer and is <u>not</u> currently on a payment plan or receiving hardship assistance (b) the customer currently holds an open account with the retailer and <u>is</u> on a payment plan or receiving hardship assistance, and (c) the customer is no longer an account holder with the retailer <p>during the reporting period in each jurisdiction.</p>	<p>New condition to require a retailer to report on credit collection activity.</p> <p>Given the increasing levels of debt held by customers, increasing numbers of customers being excluded from participating in hardship programs, and the reported drop in customers successfully completing hardship programs, there is a need to understand the impact of customer credit collection activity by retailers.</p> <p>Following discussions with stakeholders, this amendment has been made to more adequately capture data regarding affordability issues and how energy debt affects customers.</p> <p>This data will assist in mapping the extent of credit collection activity and the category of customers affected.</p>

EEQ has concerns regarding how our practices would align with the proposed new reporting obligation and requests clearer guidance from the AER for this indicator:

- EEQ only refers an unpaid “final bill” to a collection agency, at which time the customer’s account is closed and is no longer an EEQ ‘customer’ (per Retail Law definition). As such, EEQ would not report on (a) or (b), only (c)
- If customer holds an active account unrelated to the debt referred to the agency (i.e. has relocated and opened a new account but not cleared old account) should these be reported?

Indicator	Information and data required	Description of change
<p>S3.26 Number of residential customers who have been referred to an external credit collection agency for the purposes of debt recovery – amount of debt (Quarterly)</p>	<p>Number of residential electricity and gas customers who were referred to an external credit collection agency during the reporting period for the purposes of debt recovery, with energy bill debt that is:</p> <ul style="list-style-type: none"> (a) less than \$500 (b) \$500 to less than \$1,500 (c) \$1,500 to less than \$2,500 (d) \$2,500 or more <p>during the reporting period</p>	<p>New condition to require a retailer to report on credit collection activity.</p> <p>It is important to understand at what point (amount of debt) customers are referred to an external credit collection agency for the purposes of debt recovery.</p>
<p>EEQ does not support this new requirement as proposed.</p> <p>EEQ is concerned that this indicator in its current form will not deliver the desired reporting to the AER – i.e. banding of energy bill debt at referral is unlikely to provide a useful description of the trigger for customers to be referred for debt collection as this can be subject to a number of variables in addition to unpaid debt. .</p> <p>EEQ seeks clarification from the AER:</p> <ul style="list-style-type: none"> - The terms ‘debt’ and ‘energy bill debt’ used in the “Indicator”, “Information and data required” and “Description of change” fields are not consistent. (Energy bill debt is a defined term in the Guidelines) - The point at which debt is measured – the debt at referral date or the customer’s outstanding debt at end of the current reporting period? 		
<p>S3.27 Number of residential customers who have been referred to an external credit collection agency for the purposes of debt recovery – credit rating (Quarterly)</p>	<p>Number of residential electricity and gas customers who were referred to an external credit collection agency during the reporting period for the purposes of debt recovery where:</p> <ul style="list-style-type: none"> (a) a credit default was applied against their name for debt associated with the retailer, or (b) a credit default listing was reversed by the retailer 	<p>New condition to require a retailer to report on credit collection activity.</p> <p>This requirement will provide a clear indication of the number of customers that experienced long-term negative repercussions as a result of not paying their energy debt.</p>
<p>EEQ seeks clarification from the AER:</p> <ul style="list-style-type: none"> - Treatment for accounts with multiple defaults (for different debts) - reported multiple times or only once? <p>EEQ suggests minor redrafting as detailed above for clarity.</p>		

Amendments to Schedule 3: De-energisation (disconnection) and re-energisation (reconnection)

Indicator	Information and data required	Description of change
<p>S3.35. Number of customers disconnected for non-payment (Quarterly)</p>	<p>In each participating jurisdiction and for each customer category below, the number of electricity and gas customers disconnected for non-payment in the reporting period:</p> <ul style="list-style-type: none"> (a) Residential customers (b) Small business customers (c) Hardship program customers (d) Energy concession customers (e) Residential customers who have been on a payment plan in the previous 12 months (f) Residential customers who have been disconnected on more than one occasion in the previous 24 months. 	<p>Removing the requirement that residential and small business customer numbers are reported on a monthly basis. This data will be requested on a quarterly basis.</p>
<p>EEQ supports this change.</p>		
<p>S3.36 Number of customers reconnected within 7 days of disconnection (Quarterly)</p>	<p>In each participating jurisdiction and for each customer category below, the number of electricity and gas customers reconnected in the same name and address within seven days of disconnection for non-payment, in the reporting period:</p> <ul style="list-style-type: none"> (a) Residential customers (b) Small business customers (c) Residential hardship program customers (d) Energy concession customers (e) Residential customers who have been on a payment plan in the previous 12 months. 	<p>Removing the requirement that residential and small business customer numbers are reported on a monthly basis. This data will be requested on a quarterly basis.</p>
<p>EEQ supports this change.</p> <p>However, EEQ seeks clarification from the AER on whether the indicator is measuring the number of customers <u>reconnected during the reporting period</u> within 7 days of disconnection <u>or</u> customers <u>disconnected during the reporting period</u> who are reconnected within 7 days. One will capture accounts reconnected that were <u>disconnected in a prior report period</u> and other will capture accounts that are disconnected during the report period but are <u>reconnected during the next report period</u>.</p>		

Indicator	Information and data required	Description of change
S3.38 Total number of customers with debts at time of disconnection(Quarterly)	<p>In each participating jurisdiction, the total number of electricity and gas customers disconnected for non-payment with debts in the following ranges for each of the following customer categories for the reporting period</p> <p>(a) residential customers</p> <ul style="list-style-type: none"> i. less than \$500 ii. \$500 to less than \$1,500 iii. \$1,500 to less than \$2,500 iv. \$2,500 or more. <p>(b) small business customers</p> <ul style="list-style-type: none"> i. less than \$500 ii. \$500 to less than \$1,500 iii. \$1,500 to less than \$2,500 iv. \$2,500 or more. 	<p>New condition to require a retailer to report on the amount of debt experienced by certain categories of residential and small business customers at the time of disconnection for non-payment.</p> <p>This requirement will provide further detail on the effectiveness of the disconnection process and the way that it interacts with customers that have been on payment plans.</p>
<p>EEQ seeks clarification from the AER on the following issues:</p> <ul style="list-style-type: none"> - Is the AER's intent to capture all disconnections or just those disconnections related to non-payment of an energy bill debt? If the former, EEQ suggests minor redrafting of the indicator (as above) for clarity. - if a customer is disconnected multiple times in a period should it be counted once or multiple times? If the former, the AER will need to define the calculation to work out the debt amount to be used. 		

Amendments to Schedule 4: Hardship program indicators

Indicator	Information and data required	Description of change
S4.1 Number of customers on a retailer's hardship program (Quarterly)	Number of residential electricity and gas customers on a retailer's hardship program as at the last calendar day of the reporting period, in each participating jurisdiction.	Change to require this information on a quarterly basis rather than on a monthly basis.
EEQ supports this change		
S4.2 Type of contract for hardship program customers (Quarterly)	Retailers are required to submit: (a) the total number of electricity hardship customers that <ul style="list-style-type: none"> i. are on a standard retail contract ii. are on a market retail contract (b) the total number of gas hardship customers that <ul style="list-style-type: none"> i. are on a standard retail contract ii. are on a market retail contract held on the last calendar day of the relevant reporting period.	New condition requiring retailers to provide information about the type of contract a hardship customer is receiving. This data will provide detail regarding whether retailers are working with customers to find more attractive and beneficial rates, tariffs, terms and conditions that suit their circumstances (particularly in relation to affordability concerns).
No comment on this change.		

Indicator	Information and data required	Description of change
<p>S4.4 Levels of debt of customers entering the hardship program (Quarterly)</p>	<p>The number of electricity and gas hardship program customers who entered the hardship program during the reporting period, with an energy bill debt (as at the last calendar day of the reporting period) that was:</p> <ul style="list-style-type: none"> (a) less than \$500 (b) \$500 to less than \$1,500 (c) \$1,500 to less than \$2,500 (d) \$2,500 to less than \$3,500 (e) \$3,500 or more <p>in each participating jurisdiction.</p>	<p>This is an amendment to the previous indicator (S4.5). Given debt is escalating with residential customers there is the addition of one further financial category - \$3,500 or more.</p> <p>The addition of this category will assist to monitor any potential increases in customer debt against the early detection of affordability issues and timeliness of accepting a customer onto a hardship program.</p>
<p>EEQ notes that this is a minor change to an existing requirement. However, EEQ suggests that this indicator could be redrafted (as above) for greater clarity. This change would target reporting to the energy bill debt at the time of the customer entering the hardship program.</p>		
<p>S4.5 Average debt of hardship program customers (Quarterly)</p>	<p>Average energy bill debt of electricity and gas hardship program customers, as at the last calendar day of the relevant reporting period in each participating jurisdiction. The calculation of the average debt amount must not include hardship program customers in credit.</p>	<p>This is an amendment to the previous indicator and includes the addition of the statement “<i>The calculation of the average debt amount must not include hardship program customers in credit</i>”.</p> <p>This amendment will assist clarify actual debt for hardship customers by removing anomalous amounts.</p>
<p>EEQ notes that accounts in credit will already be excluded as they will not have an “energy bill debt”.</p> <p>EEQ also notes that many hardship accounts only have a small ‘energy bill debt’ which can also distort ‘average’ reporting results. EEQ believes the AER could consider introducing a threshold for this metric (e.g. \$10) to eliminate the impact the large number of small balances have on the calculation of the average, providing a more accurate reflection of the true energy bill debt position of hardship customers.</p>		

Indicator	Information and data required	Description of change
<p>S4.6 Age of debt for customers on the hardship program (Quarterly)</p>	<p>The age of the oldest debt for those electricity and gas hardship program customers who entered the hardship program during the reporting period, as at the last calendar day of the reporting period in each participating jurisdiction.</p> <ul style="list-style-type: none"> (a) less than 6 months (b) 6 months to less than 12 months (c) 12 months to less than 24 months (d) 24 months or more. 	<p>New condition to require a retailer to report on the age of debt for customers in hardship programs.</p> <p>This requirement will provide key information about how customers are able to work with retailers to manage their debt and move through the hardship program to successfully exit the program.</p> <p>This information will provide critical information about customer circumstances (and experiences) in understanding if the assistance provided through a hardship program is short term or long term.</p>
<p>No comment on this change.</p>		

Indicator	Information and data required	Description of change
<p>S4.8 Number of hardship program customers on types of payment plans (Quarterly)</p>	<p>Number of electricity and gas hardship program customer making the following categories of payment plans, as at the last calendar day of the reporting period, in each participating jurisdiction:</p> <ul style="list-style-type: none"> (a) less than ongoing costs (b) meeting consumption/bills (c) meeting the cost of consumption/bills and expected to clear arrears within 12 months (d) meeting the cost of consumption/bills and expected to clear arrears over 12 months or more 	<p>New condition to require a retailer to report on the types of payment plans for customers in hardship programs.</p> <p>Retailers will work with customers in order to establish appropriate payment plans. This information will provide a detailed view on the affordability of energy for customers and how manageable their energy debts are.</p>
<p>EEQ notes that hardship customer management is less structured than for other customer groups and often features short term payment plans or unusual payment arrangements.</p> <p>EEQ also notes that, customers may receive a 'grace' period upon entry to a hardship program where no payments are required (this may provide for financial assistance measures (HEEAS, EAPA, counselling etc) to be arranged) and this may have to be factored into a calculation method.</p> <p>EEQ seeks clarification from the AER on this new requirement:</p> <ul style="list-style-type: none"> - "ongoing costs" seems to be the same as "consumption/bills" – could the same term be used for consistency? - The definition and method for calculating "ongoing costs" and/or "consumption"? (options could include: latest bill (annualised), last 12 months billing. Furthermore, EEQ also seeks the AER's clarification on how to calculate if account less than 12 months old? - If hardship customers do not have a payment plan are they excluded from this metric? - Should a retailer 'assume' a short term arrangement (say 1 month) would continue and the payment plan amount be used to determine if meeting consumption or repaying over 12 months etc.? - Is the term 'payment plan' as per the Guideline definition? 		

Indicator	Information and data required	Description of change
<p>S4.9 Payment methods of hardship program customers (Quarterly)</p>	<p>Number of electricity and gas hardship program customers which used any each of the following payment methods during the reporting period (as at the last day of the reporting period), in each participating jurisdiction:</p> <ul style="list-style-type: none"> (a) Payment plan (excluding those who make their payment plan payments using Centrepay) (b) Centrepay (c) Prepayment meter (PPM) (d) Australia Post (e) Direct debit (f) Any other payment method. 	<p>This is an amendment to the previous indicator and includes the addition of payment methods via Australia Post and Direct Debit.</p> <p>This information will assist the AER to monitor the payment behaviours of hardship customers.</p> <p>It is also evident that some retailers are moving to the inclusion of different costs and charges associated with different payment methods. Understanding how hardship customers are making payments may inform how to provide appropriate customer education through Energy Made Easy.</p> <p>The frequency of the provision of this data is proposed to be quarterly rather than annually.</p>
<p>EEQ suggest that the requirement be redrafted (as above) for clarity. EEQ recommends substituting ‘each’ with ‘any’ as ‘each’ could be interpreted as only reporting customers who used all of these methods during the period.</p> <p>EEQ notes that some customers may use multiple payment methods within the reporting period and potentially will be double-counted. EEQ seeks guidance from AER if this is correct way to report OR if an alternative hierarchy process should be applied to allocate payment types.</p>		

Indicator	Information and data required	Description of change
<p>S4.10 Number of customers entering and exiting the hardship program (Quarterly)</p>	<p>Total number of electricity and gas customers who</p> <p>(a) entered</p> <ul style="list-style-type: none"> i. after the customer self-identified as being in hardship ii. via retailer referral <p>(b) exited</p> <p>the hardship program, during the reporting period in each participating jurisdiction.</p>	<p>This is an amendment to the previous indicator. The amendment requests that retailers report on the number of customers entering a hardship program in a reporting period (in addition to the current requirement to report on the number of people exiting from hardship programs.)</p> <p>This requirement will provide a more complete view of the customer traffic into and out of hardship programs.</p> <p>The addition to understand how many customers self-identify as being in hardship may provide some insight into how willing customers are in taking steps to engage with their retailer.</p>
<p>This revised indicator contains new information that EEQ does not currently record.</p> <p>EEQ seeks guidance from AER with respect to:</p> <ul style="list-style-type: none"> - The definition of a “retailer referral”? - How customers who enter a hardship program via external assistance agencies (i.e. counselling service) are to be classified? (i.e. would these customers be considered self identified?) 		

Indicator	Information and data required	Description of change
<p>S4.11 Length of customer participation in a hardship program (Quarterly)</p>	<p>Total number of electricity and gas hardship customers that have continuously received assistance through the hardship program for:</p> <ul style="list-style-type: none"> (a) less than 12 months (b) 12 months to less than 24 months (c) 24 months or more <p>as at the last day of the relevant period in each participating jurisdiction.</p>	<p>New condition to require a retailer to report on the length of continuous participation for customers in hardship programs.</p> <p>This requirement will provide key information about how customers are able to work with retailers to manage their debt and move through the hardship program to successfully exit the program.</p> <p>This will provide critical information regarding whether the assistance provided through a hardship program is short term or long term.</p>
<p>No comment on this change.</p>		
<p>S4.12 Number of customers denied access to the hardship program (Quarterly)</p>	<p>Number of residential electricity and gas customers denied access to the hardship program during the reporting period, in each participating jurisdiction because:</p> <ul style="list-style-type: none"> (a) the customer did not agree to the suggested payment plan (b) the retailer was unable to contact the customer (c) the customer did not make the requested payments (d) it was more appropriate to return the customer to a normal payment plan or billing cycle. (e) other. 	<p>This is an amendment to an existing indicator to require a retailer to report in more detail the reasons why customers are denied access to a hardship program.</p> <p>Given the increase in customers being excluded from hardship programs it is important to understand why this occurs.</p> <p>Retails currently have a reporting obligation to advise how many customers are excluded from their hardship programs. This requirement will provide a more detailed analysis of the customer and retailer behaviours that led to the exclusion.</p>
<p>EEQ does not deny customers access to the hardship program. EEQ seeks clarification from the AER regarding if this indicator is to also capture customers already in hardship who are removed from the program for non-compliance.</p>		

Indicator	Information and data required	Description of change
<p>S4.14 Assistance provided to hardship program customers</p> <p>Quarterly</p>	<p>Types of assistance provided to hardship customers throughout the reporting period.</p> <p>Number of customers that:</p> <ul style="list-style-type: none"> (a) were transferred on to different market retail contract (b) were transferred from a standard retail contract to a market retail contract (c) received concessions that they were not otherwise receiving (d) received a rebate that they were not otherwise receiving (e) received new appliances through appliance replacement programs (f) received incentive payments or discounts (g) received debt reductions (h) had onsite energy audits completed by the retailer (or third party agency at the request of the retailer) (i) received reimbursement/credit of late payment fees (j) received reimbursement/credit of lost pay on time discounts. 	<p>This requirement is an amendment to the existing performance reporting obligation to include more specific items that detail the types of assistance provided to customers on hardship programs.</p> <p>In line with the National Energy Retail Law, retailers are required to have and to implement hardship policies.</p> <p>This amendment has been made to more adequately reflect discussions with stakeholders regarding hardship issues and how to understand how retailers' hardship policies interact with customers to impact their overall energy usage and debt management.</p> <p>The inclusion of this requirement will enable monitoring of the implementation of retailer hardship programs in line with their requirements and ultimately the outcomes for customers.</p>
<p>EEQ notes that the amendments to this indicator are significant and will have a major impact on EEQ as this information is not currently recorded and will likely require a manual process to report this data.</p> <p>EEQ also seeks clarification on</p> <ul style="list-style-type: none"> - Reporting requirements for customers who fall into multiple categories – are they to be counted multiple times - Does 'assistance provided' mean assistance measures that are taken up by the customer or just the types of assistance offered by the retailer to the customer? 		

Additional – not included in the consultation but needs to be fixed in guidelines

Indicator	Information and data required	Description of change
<p>S3.17 Amount of residential customer energy bill debt</p>	<p>Number of residential electricity and gas customers (excluding hardship program customers) with energy bill debt that is:</p> <ul style="list-style-type: none"> (a) Over \$500 but less than or equal to \$1,500 (b) Over \$1,500 but less than or equal to \$2,500 (c) Over \$2,500 (f) at the end of the reporting period, in each participating jurisdiction. 	
<p>EEQ has identified an error in the existing Guidelines which, although not included in consultation changes, should be rectified. Existing drafting does not capture \$1,500 and \$2,500. EEQ suggests redrafting as above.</p>		