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12 February 2018

Australian Energy Regulator  
Level 17, 2 Lonsdale Street  
Melbourne, VIC, 3000

Dear AER Performance Reporting team,

### Draft Performance Reporting Guideline

Powershop Australia Pty Ltd (**Powershop**) thanks the Australian Energy Regulator (**AER**) for the opportunity to provide comments in relation to the amendments to AER Performance Reporting Procedures and Guidelines (the **Guidelines**).

**Table 1: Proposed amendments to Section 2: Obligation to submit information and data on performance**

Section	Change	Powershop comment
<b>2.2.2 Quarter 4 and Annual Reports</b>	<p><b>Current:</b> The quarter 4 and annual report on all performance indicators for the relevant financial year must be submitted by 31 August in each year.</p> <p><b>Proposed change:</b> The Q4 and annual report on all performance indicators for the relevant financial year must be submitted by 31 July in each year.</p>	<p>Powershop understands the rationale behind the proposed change, but disagrees with moving the due date.</p> <p>Moving the quarter 4 and annual report due date to 31 July will result in a misalignment of the Essential Services Commission (<b>ESC</b>) and AER Q4 reporting.</p> <p>Powershop's position is that 31 August should remain the due date for this reporting.</p>
<b>2.3.5 Manner and form in which information and data must be submitted</b>	<p><b>Current:</b> N/A – new section.</p> <p><b>Proposed change:</b> 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.</p>	<p>Powershop supports this change.</p>
<b>2.4.1 Process for submission of reports</b>	<p><b>Current:</b> Reports must be submitted by email to the General Manager, Retail Markets, Australian Energy Regulator</p>	<p>Powershop supports this change.</p>



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Section	Change	Powershop comment
	at AERInquiry@aer.gov.au. <b>Proposed change:</b> Reports must be submitted by email to the General Manager, Retail Markets, Australian Energy MarketPerformance@aer.gov.au.	
<b>A3 – Accompanying commentary template</b>	<b>Current:</b> Fax number included. <b>Proposed change:</b> Fax number removed.	Powershop supports this change.

**Table 2: Proposed amendments to Schedule 2, Retail market overview**

Section	Change	Powershop comment
<b>S2.2 Offer of standard retail contracts to small market offer customers (Quarterly)</b>	<b>Current:</b> Retailers are required to inform the AER whether they offer small market offer customers standard retail contracts, or only market retail contracts. <b>Proposed change:</b> Requirement removed.	Powershop supports this change.
<b>S2.3. The number of customers that have moved from standard to market retail contracts (Quarterly)</b>	<b>Proposed inclusion:</b> Retailers are required to submit: (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 during the relevant reporting period in each of the following customer categories: i. Residential customers ii. Small business customers iii. Large customers (this should also include any large customers on other contract types).  For the purposes of this indicator, the number of contracts held by small business customers must be presented as including small market offer customers. 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.  For the purposes of this indicator, the consumption threshold determined by the relevant jurisdiction should be applied.	Powershop supports this inclusion.
<b>S2.4. The number of customers on a market retail contract with an expired</b>	<b>Proposed inclusion:</b> Retailers are required to submit: (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	Powershop supports this inclusion.



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<b>fixed benefit period (Quarterly)</b>	<p>contracts where their initial fixed benefit period has expired for the supply of gas, and 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"> <li>i. Residential customers</li> <li>ii. Small business customers</li> <li>iii. Large customers (this should also include any large customers on other contract types).</li> </ul> <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. 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>	
<b>S2.5. The number of unknown or deemed customers (Quarterly)</b>	<p><b>Proposed inclusion:</b> Retailers are required to submit:</p> <ul style="list-style-type: none"> <li>(a) the total number of deemed customers taking supply of electricity after 120 days, and</li> <li>(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"> <li>i. Residential customers</li> <li>ii. Small business customers</li> <li>iii. Large customers (this should also include any large customers on other contract types)</li> </ul> </li> </ul> <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>Powershop supports this inclusion.</p>
<b>S2.6. The number of customers with Type 4 or 4A smart meters and reasons for installation (Quarterly)</b>	<p><b>Proposed inclusion:</b> 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"> <li>(a) under the New Meter Deployment</li> <li>(b) as part of a meter repair or replacement schedule</li> <li>(c) as part of a new connection, and</li> <li>(d) as per a customer’s request.</li> </ul>	<p>Powershop believes that the AER should obtain this data from the Australian Energy Market Operator (AEMO).</p> <p>Powershop believes that this is an unnecessary reporting burden given the latest and most accurate data already</p>



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Section	Change	Powershop comment
		<p>exists with AEMO.</p> <p>Powershop believes there is a better solution and does not support this change.</p>
<b>S2.7. Types of tariff structures for electricity customers with smart meters (Quarterly)</b>	<p><b>Proposed inclusion:</b> Retailers are required to submit (where a customer has a smart meter installed):</p> <p>(a) The total number of customers receiving only a flat rate retail tariff</p> <p>i. On market retail contracts ii. On standard retail contracts</p> <p>(b) The total number of customers receiving a time-of-use or a flexible retail tariff</p> <p>i. On market retail contracts ii. On standard retail contracts</p> <p>(c) The number of customers:</p> <p>i. that have a distributor based flexible network tariff, and, ii. of those with a distributor based flexible network tariff, the number of customers where there is corresponding flexible retail tariff.</p>	<p>Powershop does not see the benefit of providing retail tariff information for every single customer and believe it is an unnecessary reporting burden.</p> <p>Two of the biggest drivers of energy bills are;</p> <p>1) the customer being on a standard retail contract, as they generally has less favorable rates. This information is already being reported; and</p> <p>2) customers being on an expired fixed benefit period contract (and thereby subject to the 'loyalty tax'). This information will now be reported to the AER in accordance with S2.4 of this Guideline.</p> <p>Powershop does not support this change.</p>
<b>S2.8. Types of tariff structures for solar electricity customers (Quarterly)</b>	<p><b>Proposed inclusion:</b> Retailers are required to submit:</p> <p>(a) The total number of solar customers receiving a government funded feed-in tariff</p> <p>(b) The total number of solar customers receiving a retailer (only) funded feed-in tariff</p>	<p>Powershop supports this inclusion.</p>



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**Table 3: Proposed amendments to Schedule 3: Customer service and complaints**

Section	Change	Powershop comment
<b>S3.8</b> <b>Complaints-meter contestability – meter installation (Quarterly)</b>	<b>Proposed inclusion:</b> 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: (a) residential customers; and (b) small business customers.	<p>Powershop notes that the remediation work from the Power of Choice changes will largely be rectified by the commencement of this guideline – therefore the current difficulties customers and the industry are currently facing will largely be resolved by commencement.</p> <p>Powershop would be happy to provide this information on a short-term basis, but we feel that including this as a long-term requirement is not necessary and will provide little to no benefit.</p> <p>If adopted, Powershop suggests that 3.8 to 3.12 be reported as a general ‘Metering’ category.</p>
<b>S3.9</b> <b>Complaints-meter contestability – de-energisation (Quarterly)</b>	<b>Proposed inclusion:</b> 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 Type 4 or 4A meters as a result of the installation process by: (a) residential customers; and (b) small business customers.	<p>Powershop’s response to this section is reflected in response to S3.8.</p>
<b>S3.10</b> <b>Complaints-meter contestability – meter data (Quarterly)</b>	<b>Proposed inclusion:</b> In each participating jurisdiction, retailers must report the number of complaints made in the reporting period about Type 4 or 4A meter data by: (a) residential customers; and (b) small business customers.	<p>Powershop’s response to this section is reflected in response to S3.8.</p>



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Section	Change	Powershop comment
<b>S3.11</b> <b>Complaints-meter contestability – privacy (Quarterly)</b>	<b>Proposed inclusion:</b> 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: (a) residential customers; and (b) small business customers.	Powershop’s response to this section is reflected in response to S3.8.
<b>S3.12</b> <b>Complaints-meter contestability – cost (Quarterly)</b>	<b>Proposed inclusion:</b> 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: (c) residential customers; and (d) small business customers.	Powershop’s response to this section is reflected in response to S3.8.

**Table 4: Proposed amendments to Schedule 3 – handling customers experiencing payment difficulties**

Section	Change	Powershop comment
<b>S3.15 Nature of repayment agreements – fortnightly amounts (Quarterly)</b>	<b>Proposed inclusion:</b> Total number of electricity and gas customers repaying debts: (a) residential customers (excluding hardship program customers); and 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. (b) small business customers 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 at the end of the reporting period in each participating jurisdiction.	Obtaining this data is achievable, but Powershop questions what use this data will be to the AER. A repayment amount in isolation does not tell the customers story (i.e. what their arrears are, usage, duration etc.) and is a somewhat arbitrary number (\$50 is nothing to some, but a lot to others).  The way in which the ESC captures this data provides more of a story as it highlights whether the arrangement is covering usage and the duration of the arrangement. Powershop suggests the AER and ESC align on this matter.



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Section	Change	Powershop comment
<b>S3.18 Number of residential customers that have aged debt. (Quarterly)</b>	<p><b>Proposed inclusion:</b> The total number of customers (not on a hardship program) who have accrued an average debt:</p> <ul style="list-style-type: none"><li>a) \$1000 to less than \$1500<ul style="list-style-type: none"><li>i. where the debt is more than 12 months old but less than 24 months old</li><li>ii. where the debt is 24 months or more old</li></ul></li><li>b) \$1500 to less than \$2000<ul style="list-style-type: none"><li>i. where the debt is more than 12 months old but less than 24 months old</li><li>ii. where the debt is 24 months or more old</li></ul></li><li>c) \$2000 or more<ul style="list-style-type: none"><li>i. where the debt is more than 12 months old but less than 24 months old</li><li>ii. where the debt is 24 months or more old</li></ul></li></ul> <p>at the end of the reporting period in each jurisdiction.</p>	<p>Powershop currently only ages debt to 180+ days. This inclusion will require comprehensive system development work to categorise the additional age profiles. Changes will not be isolated to just the systems, but also to Powershop's debt management and finance procedures.</p> <p>Powershop wish to note that while aging debt beyond 12 months makes sense for a quarterly billing retailer, it makes little sense for a monthly billing retailer given the shortened billing period and subsequent shortened aged debt profiles.</p> <p>Given the minimal number of Powershop customers in these aged debt profiles and the cost to implement – Powershop does not support this change. This change could cost \$1000's of dollars per customer in these debt profiles for little benefit.</p>
<b>S3.20 Number of residential customers that have missed one or more pay on time (or conditional) discount. (Quarterly)</b>	<p><b>Proposed inclusion:</b> Total number of electricity and gas: (a) residential customers; and (b) small business customers that have missed receiving pay on time discounts due to making a late or missed payment during the reporting period.</p>	<p>Powershop supports this change.</p>



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Section	Change	Powershop comment
<b>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)</b>	<b>Proposed inclusion:</b> Number of residential electricity and gas customers who were referred to an external credit collection agency for the purposes of debt recovery, where: (a) the customer currently holds an open account with the retailer and is not currently on a payment plan or receiving hardship assistance (b) the customer currently holds an open account with the retailer and is on a payment plan or receiving hardship assistance, and (c) the customer is no longer an account holder with the retailer during the reporting period in each jurisdiction.	Powershop supports this inclusion.
<b>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)</b>	<b>Proposed inclusion:</b> Number of residential electricity and gas customers who were referred to an external credit collection agency for the purposes of debt recovery, with energy bill debt that is: (a) less than \$500 (b) \$500 to less than \$1,500 (c) \$1,500 to less than \$2,500 (d) \$2,500 or more during the reporting period.	Powershop supports this inclusion.
<b>S3.27 Number of residential customers who have been referred to an external credit collection agency for the purposes of debt recovery – credit rating</b>	<b>Proposed inclusion:</b> Number of residential electricity and gas customers who were referred to an external credit collection agency for the purposes of debt recovery where: (a) a credit default was applied against their name for debt associated with the retailer (b) a credit default listing was reversed by the retailer during the reporting period.	Powershop supports this inclusion.





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**Table 5: Proposed amendments to Schedule 3, De-energisation (disconnection) and re-energisation (reconnection)**

Section	Change	Powershop comment
<b>S3.35. Number of customers disconnected for non-payment (Quarterly)</b>	<b>Proposed inclusion:</b> 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: (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.	Powershop supports this inclusion.
<b>S3.36 Number of customers reconnected within 7 days of disconnection (Quarterly)</b>	<b>Proposed inclusion:</b> 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: (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.	Powershop supports this inclusion.
<b>S3.38 Total number of customers with debts at time of disconnection (Quarterly)</b>	<b>Proposed inclusion:</b> In each participating jurisdiction, the total number of electricity and gas customers disconnected with debts in the following ranges for each of the following customer categories for the reporting period (a) residential customers i. less than \$500 ii. \$500 to less than \$1,500 iii. \$1,500 to less than \$2,500 iv. \$2,500 or more. (b) small business customers i. less than \$500 ii. \$500 to less than \$1,500 iii. \$1,500 to less than \$2,500 iv. \$2,500 or more.	Powershop supports this inclusion.



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**Table 6: Proposed amendments to Schedule 4, Hardship program indicators**

Section	Change	Powershop comment
<b>S4.1 Number of customers on a retailer's hardship program (Quarterly)</b>	<b>Proposed inclusion:</b> 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.	Powershop supports this inclusion.
<b>S4.2 Type of contract for hardship program customers (Quarterly)</b>	<b>Proposed inclusion:</b> Retailers are required to submit: (a) the total number of electricity hardship customers that i. are on a standard retail contract ii. are on a market retail contract (b) the total number of gas hardship customers that 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.	Powershop supports this inclusion.
<b>S4.4 Levels of debt of customers entering the hardship program (Quarterly)</b>	<b>Current:</b> 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: (a) Between \$0 and \$500 (b) \$500 but less than \$1,500 (c) \$1,500 but less than \$2,500 (d) \$2,500 or more in each participating jurisdiction. <b>Proposed change:</b> 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: (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 in each participating jurisdiction.	Powershop supports this inclusion.
<b>S4.5 Average debt of hardship program customers (Quarterly)</b>	<b>Current:</b> Average energy bill debt of electricity and gas hardship program customers, as at the last day of the relevant reporting period in each participating jurisdiction. <b>Proposed change:</b> Average energy bill debt of electricity and gas	Powershop supports this inclusion.



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Section	Change	Powershop comment
	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.	
<b>S4.6. Age of debt for customers on the hardship program (Quarterly)</b>	<b>Proposed inclusion:</b> 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. (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.	Powershop's response to this section is reflected in response to S3.18.
<b>S4.8 Number of hardship program customers on types of payment plans (Quarterly)</b>	<b>Proposed inclusion:</b> 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: (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	This inclusion will require development work, but is achievable.
<b>S4.9 Payment methods of hardship program customers (Quarterly)</b>	<b>Proposed inclusion:</b> Number of electricity and gas hardship program customers using each of the following payment methods, as at the last day of the reporting period, in each participating jurisdiction: (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.	Powershop supports this inclusion.
<b>S4.10 Number of customers entering and exiting the hardship program (Quarterly)</b>	<b>Proposed inclusion:</b> Total number of electricity and gas customers who (a) entered i. after the customer self-identified as being in hardship ii. via retailer referral (b) exited the hardship program, during the reporting period in each participating jurisdiction.	Powershop requires further clarification on the requirements for this section.  Does the AER want to capture external referrals from organisations such as financial counselors?
<b>S4.11 Length of</b>	<b>Proposed inclusion:</b>	Powershop supports this



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Section	Change	Powershop comment
customer participation in a hardship program (Quarterly)	Total number of electricity and gas hardship customers that have continuously received assistance through the hardship program for: (a) less than 12 months (b) 12 months to less than 24 months (c) 24 months or more as at the last day of the relevant period in each participating jurisdiction.	inclusion.
S4.12 Number of customers denied access to the hardship program (Quarterly)	<b>Proposed inclusion:</b> Number of residential electricity and gas customers denied access to the hardship program during the reporting period, in each participating jurisdiction because: (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.	Powershop supports this inclusion.
S4.14 Assistance provided to hardship program customers (Quarterly)	<b>Proposed inclusion:</b> Types of assistance provided to hardship customers throughout the reporting period. Number of customers that: (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.	While Powershop supports the intention of this requirement, Powershop requires further clarification on what constitutes assistance. For example, if a Powershop credit agent advised a customer as part of a telephone energy audit to turn off their lights when not being used, would we be required to capture this?  Regarding requirement (d), how would Powershop approach this requirement for QLD customers given retailers cannot back-date concession rebates?

In closing Powershop suggest that the AER review some of the proposed changes to ensure that they will continue to be required over the long term. Powershop believes some of the proposed changes will become irrelevant over the near term, for example:

- the proposed five different types of metering complaints will be largely irrelevant by the end



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- of the year; and
- the additional aged debt profiles appear to be designed for quarterly bills – which are fast becoming redundant as more retailers move towards monthly billing.

If you have any queries or would like to discuss please do not hesitate to contact me.

Yours sincerely,

**Haideen Jones**

Retail Compliance Coordinator

