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3 June 2011

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Dear Mr Leuner

## **Response to AER's Draft Performance Reporting Procedures and Guidelines**

Ergon Energy Corporation Limited and Ergon Energy Queensland Pty Ltd collectively referred to as Ergon Energy; welcome the opportunity to provide a response to the Australian Energy Regulator's consultation on the Draft Performance Reporting Procedures and Guidelines relating to compliance with the *National Energy Retail Law (South Australia) Act 2011*, *National Energy Retail Rules 2010* and *National Energy Retail Regulations*.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to me on (07) 4092 9813 if you have any questions.

Yours sincerely

  
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Encl: Ergon Energy's submission.

**Ergon Energy Corporation Limited  
and  
Ergon Energy Queensland Pty Ltd**

**Response to AER Draft Performance  
Reporting Procedures and Guidelines –**

**Australian Energy Regulator  
3 June 2011**





# **Response: AER Draft Performance Reporting Procedures and Guidelines**

**Australian Energy Regulator**

**3 June 2011**

This submission, which is available for publication, is made by:

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## 1. INTRODUCTION

Ergon Energy Corporation Limited (EECL) and Ergon Energy Queensland Pty Ltd (EEQ) welcome the opportunity to provide comment to the Australian Energy Regulator (AER) on its Draft Performance Reporting Procedures and Guidelines.

This submission is provided by:

- EECL, in its capacity as a Distribution Network Service Provider (DNSP) in Queensland; and
- EEQ, in its capacity as a non-competing area retail entity in Queensland.

In this submission, EECL and EEQ are collectively referred to as 'Ergon Energy'.

Ergon Energy is generally supportive of the AER's overall approach to performance reporting as outlined in the Draft Performance Reporting Procedures and Guidelines. Further, Ergon Energy reiterates its commitment to establishing policies, systems and procedures to ensure reporting obligations are met under the new National Energy Customer Framework (NECF).

Ergon Energy acknowledges the extensive and thorough consultation the AER has conducted in the development of the Draft Performance Reporting Procedures and Guidelines. However, Ergon Energy would like to draw to the AER's attention to the fact that certainty in relation to specific content of the NECF and its commencement date have only been provided recently, leaving regulated entities with little opportunity to plan with a degree of confidence. With this in mind, Ergon Energy therefore supports the AER's intention to have regard to the 'newness' of any obligation when considering monitoring and enforcement activities.

Ergon Energy is available to discuss this submission or provide further detail regarding the issues raised, should the AER require.

## 2. SPECIFIC COMMENTS

### ***Treatment of Reporting Requirements Subject to Transitional Arrangements***

The Queensland Department of Employment, Economic Development and Innovation has recently released its *National Energy Customer Framework Queensland Implementation Decision Paper* (March 2011). This Decision Paper sets out the Queensland Government's decision on how Queensland will implement and transition to the NECF.

The release of this paper confirms the commencement date of the NECF in Queensland as 1 July 2012. Further, the Decision Paper sets out certain obligations for which transitional arrangements will apply and obligations which will not be implemented in Queensland at all. This includes the Queensland Government's decision that the pre-payment meter framework and the small compensation claims regime will not apply at all.

In relation to the pre-payment meter framework, Ergon Energy notes that the AER intends to report on the number of customers using pre-payment meters including in jurisdictions that choose not to apply the pre-payment meter provisions. Ergon Energy questions the need to



provide information on card operated meters installed on Ergon Energy's network as they do not meet the requirements of a pre-payment meter system under the NECF arrangements.

In relation to the small compensation claims regime, Ergon Energy notes that the AER does not currently intend to introduce reporting requirements. Ergon Energy supports this position. However, the AER intends to consult on appropriate performance indicators once the scope and application of the regime is known. As the Queensland Government has decided not to adopt any of the small compensation claims regime, Ergon Energy assumes that Queensland DNSPs will not be required to report on the regime.

### ***Status of Current Jurisdictional Reports***

Ergon Energy notes that the AER does not currently intend to impose specific reporting requirements on DNSPs in relation to service standards and Guaranteed Service Levels. Instead, the AER will rely on information provided to the jurisdictional regulator responsible for administration and enforcement of those schemes. Ergon Energy supports the AER's intention not to impose duplicate or supplementary reporting requirements on the DNSPs given the costs associated with such a requirement.

### ***Use of Delegations for Endorsement of Reports***

Ergon Energy is seeking clarity regarding section 2.3 of the Performance Reporting Procedures and Guidelines, which outlines the manner and form in which information and data must be submitted to the AER. Section 2.3.5 regarding Intra-financial year reports on quarterly performance indicators allows a delegate of the Chief Executive Officer to endorse the report for submission to the AER. Section 2.3.6, which refers to end of financial year reports on quarterly and annual performance indicators, does not include an opportunity for such a delegation. As such Ergon Energy would appreciate a clarification as to whether this is intentional or a drafting oversight.