

13 August 2010

General Manager – Markets Branch
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

Email: AERInquiry@aer.gov.au

Dear Sir/ Madam:

ActewAGL Retail welcomes the opportunity to make the following submission with respect to the Australian Energy Regulator's (AER) Retail Market Performance Reporting Issues Paper.

ActewAGL Retail understands that under the proposed approach, the AER is likely to be required to publish retail market performance reports that cover:

- the number of customers and retailers in the market, the number of customers transferring between retailers and between standard and market retail contracts, and the affordability of energy (**retail market overview**);
- the performance of energy retailers, including analysis of customer service and complaints, the handling of customers experiencing payment difficulties, prepayment meters, disconnections and reconnections, concessions and the number and value of security deposits held by retailers (**retail market activities report**); and
- the performance of retailers under the National Hardship Indicators.

Market performance reporting - introduction

The Issues Paper¹ notes that the AER will aim:

- to monitor the performance of the market, and of retailers and distributors, in specified areas and inform interested parties (including government, regulators, industry participants, consumer groups and the wider community);
- to provide sufficient and appropriate incentives for retailers and distributors, through comparative assessment of performance, to improve performance over time; and
- to highlight areas of industry best practice and any potential areas of concern where further assessment, investigation or audits of performance or compliance may be required.

ActewAGL Retail supports market performance reporting to the extent that it facilitates an improvement in the delivery of information that is required to be provided to key stakeholders. ActewAGL Retail notes, however, that retailers currently report to the

¹ AER Retail Market Performance Reporting Issues Paper June 2010, P.6

'interested parties' listed above through a variety of formal and informal reporting obligations.

Customers experiencing payment difficulties and hardship

The Issues Paper reiterates that particular attention will be paid to retailer performance in assisting customers with payment difficulties, and the effectiveness of retailers' hardship policies².

ActewAGL Retail is committed to assisting customers experiencing payment difficulties and hardship, and is conscious that there will be associated reporting obligations.

ActewAGL Retail has previously provided comment to the AER via a submission on the National Hardship Indicators, so will not provide further detailed comment on this issue in this submission.

Number of customers

ActewAGL Retail operates within the ACT and NSW. The Issues Paper states³ that 'there may be commercial sensitivities around the disclosure of retailer customer numbers, particularly where a retailer has only a small number of customers in a particular jurisdiction or customer category'.

ActewAGL Retail agrees that there are commercial sensitivities around the disclosure by ActewAGL Retail of customer numbers and related information, particularly in the ACT where ActewAGL Retail has the dominant market share. It follows that ActewAGL would support any mechanisms (such as publicly reporting customer numbers within appropriate band ranges) that may address these concerns.

Customer transfers between retailers

ActewAGL Retail supports the AER's preliminary view⁴ that 'the retail market overview should include the total number of retail customer transfers recorded by AEMO's market systems each month, and that this information should be collected and reported on a quarterly basis'.

ActewAGL Retail supports any opportunity for a reduction in duplication which leads to increased efficiencies; and considers that utilising transfer data recorded by AEMO is a sensible approach.

Reporting requirements

The Issues Paper⁵ states that the AER is 'also interested to explore the benefits of requiring data to be broken down into intervals within a reporting period [e.g. quarterly or monthly] for each measure, to allow identification of seasonal trends'.

Currently, ActewAGL Retail undertakes comprehensive and detailed reporting on its performance as an electricity and gas supplier within the ACT and NSW, in particular through compliance and performance reporting against its operating licenses. Therefore, ActewAGL Retail seeks an assurance that the value in obtaining any additional information has been clearly ascertained before additional reporting requirements are imposed on retailers. ActewAGL also seeks clear and specific details about the reporting

² AER Retail Market Performance Reporting Issues Paper June 2010, P.5

³ AER Retail Market Performance Reporting Issues Paper June 2010, P.10

⁴ AER Retail Market Performance Reporting Issues Paper June 2010, P.13

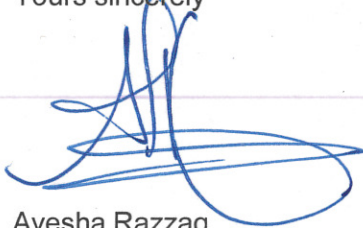
⁵ AER Retail Market Performance Reporting Issues Paper June 2010, P.20

obligations, which it expects will be based on the explicit requirements detailed in the National Energy Retail Law, Rules and Regulations.

The AER acknowledges these costs and the burden of regulatory reporting in the Issues Paper. ActewAGL Retail advises that where new reporting requirements impose additional costs (such as those for system enhancements) and have resourcing impacts, it will be seeking to recover its costs by passing them through to consumers. Further, in addition to extra costs, there may also be timeframe implications for the implementation of such changes given that ActewAGL Retail relies on third party system providers.

If you have any questions regarding this submission, please contact Rachael Turner, Manager Business Projects on telephone: (02) 6248 3655 or email: rachael.turner@actewagl.com.au.

Yours sincerely



Ayesha Razzaq
General Manager Retail