

Your Ref:
Our Ref: EOQ/10/00046

10 August 2010

Ms Lynley Jorgensen
General Manager
Markets Branch
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

Dear Ms Jorgensen, 

Thank you for the opportunity to provide comment on the Retail Market Performance Reporting issues paper.

The Energy Ombudsman Queensland (EOQ) strongly supports the Retail Market Performance Reporting issues paper developed by the Australian Energy Regulator (AER) and in responding to the issues paper, EOQ has for the most part only commented on areas of significant interest to EOQ.

- **Retail Market Overview**

EOQ agrees with the definition proposed by the AER of an 'active retailer' for the retail market overview as an authorised retailer that is currently supplying energy services to customers.

- **Frequency of AER reporting on number of authorised and active retailers**

EOQ recommends the AER report quarterly on the number of authorised retailers and active retailers by jurisdiction. Quarterly reporting will provide ombudsman offices with an additional reporting mechanism to ensure all authorised retailers supplying energy services to customers within their jurisdiction are participating organisations of ombudsman schemes.

- **Case Studies**

EOQ supports the inclusion of case studies of customers' experience of energy affordability as this will provide a valuable commentary of customers managing affordability issues in jurisdictions other than Queensland

Retail Market Activities Review

EOQ supports the AER's proposal for the retail market activities review to collect data, specifically the data collection categories that will assist in identifying:

- retailers that may have inadequate payment plans for customers experiencing financial hardship;
- retailers that may have inadequate systems to assist customers experiencing financial difficulty; and
- inadequate complaints handling systems and possible systemic issues.

As retailers should be assisting hardship customers via programs and strategies to avoid disconnection solely due to an inability to pay energy bills, EOQ supports the collection of data relating to customers experiencing payment difficulties as a very positive mechanism for retailers in identifying improvements required to these programs and systems, minimising disconnections due to debt, and avoiding increased complaints to ombudsman schemes.

However, EOQ believes further analysis and investigation should be undertaken by the AER before publishing this information. Underlying issues or issues beyond the control of the retailers (IT systems being upgraded etc.) may cause an increase in a particular category for a quarterly or given period. Without further investigation and analysis, the data may deliver artificial results and retailers may be penalised or publicly tarnished for a once off issue or an issue beyond their control.

- **Concessions**

EOQ supports the inclusion of this indicator and would like the AER to further consider the inclusion of monitoring and reporting of retailers not correctly applying rebates and concessions to customers (both market contracts and standard contracts).

- **Prepayment Meters**

EOQ understands that under the National Energy Customer Framework (NECF), the consumer protections for pre-payment meters (PPMs) apply to PPMs under market contracts. In Queensland, the PPMs currently in use are not provided under market contracts and do not have the ability to allow self-disconnection to be monitored.

Although consumer protections for PPMs in Queensland do not fall under the NECF, where communities request the use of PPMs, EOQ's supports their use and understands that Ergon Energy is currently developing consumer protection services for PPM customers who may be experiencing hardship.

- **Security deposits**

The information collected regarding security deposits will provide ombudsman schemes with valuable data to determine what percentage of customers for a specific retailer are required to pay security deposits and the percentage of deposits held for longer than 12 months.

EOQ agrees with the AER's assumption that monitoring and reporting of security deposits will provide assurance of retailers' compliance with the timely return of security deposits.

- **Customer Service**

EOQ supports the inclusion of this indicator as monitoring customer service performance will provide an opportunity to verify complaint statistics in relation to call centre operations and the performance and accessibility of call centres in differing jurisdictions.

- **Complaint Handling**

The collection of complaint reporting data will again provide verification to identify the percentage by type of complaints escalated to EOQ and may assist with the identification of systemic issues.

- **Distributor GSLs**

Under the Queensland Electricity Industry Code (the Code) guaranteed service levels payments may apply to customers if the distributor fails to meet the GSL standards in the following circumstances:

- Connections;
- Reconnections;
- Wrongful disconnections;
- Hot water supply;
- Appointments;
- Planned interruptions;
- Reliability – duration of electricity interruptions; and
- Reliability – frequency of electricity interruptions
- The Code has recently been amended to ensure:
 - (a) a definitive timeframe of one month in which distributors must use their best endeavours to process GSL claims lodged by small customers;
 - (b) for all types of GSL payments, a distributor must use its best endeavours to automatically give a GSL payment to an eligible small customer; and
 - (c) for all types of GSL payments, a small customer has a time limit of three months within which to lodge a GSL claim.

EOQ supports the inclusion of the distribution performance and would like the AER to consider incorporating the above GSL standards as part of the performance measures for distributors and specifically in relation to the small compensation claims regime if this is to be adopted by the Queensland Government.

- **Failure to read meters according to statutory timeframes**

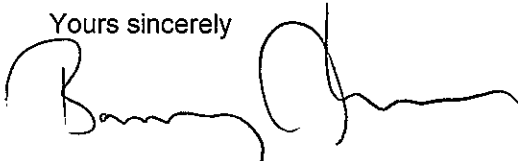
The timing of meter reads can assist customers experiencing financial hardship with early indicators of high usage providing triggers that initiate prompt behavioural changes for some of these customers.

As such, EOQ would like the AER to consider monitoring and reporting on retailers/distributors that fail to read meters according to statutory timeframes.

EOQ supports the AER's preliminary view of the information to be monitored and collected, as this information will provide stakeholders with a good cross section of valuable information.

EOQ appreciates the effort the AER has taken in the development of a Retail Market Performance Report issues paper and trusts the above comments are helpful. Should you require further information, please contact Ms Ilona Cenefels, Manager Policy and Research on telephone (07) 3109 9631.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Barry Adams', with a long horizontal flourish extending to the right.

BARRY ADAMS
Energy Ombudsman Queensland