

Payment difficulty framework amendments to the Compliance and Performance Reporting Guideline

Final decision

30 July 2018

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1. Introduction

Purpose

The purpose of this document is to outline the commission's final decision on changes to the Interim Compliance and Performance Reporting Guideline (version 3). These changes are to support the commencement of the payment difficulty framework on 1 January 2019.

We also explain the introduction of some administrative changes to the reporting guideline that affect both energy retailers and distribution businesses.

Accompanying this final decision is an amended reporting guideline and associated reporting templates.

Background to this final decision

On 10 October 2017, the commission released its final decision on the payment difficulty framework that made changes to the Energy Retail Code that take effect from 1 January 2019. These changes cater for a new framework that promotes protections for Victorian residential energy customers who are anticipating or facing payment difficulty.

The payment difficulty framework is designed to provide energy customers with an entitlement to minimum standards of assistance from their retailer to avoid getting into arrears, make it easier to pay for energy use, repay arrears and lower energy costs, and ensure that disconnection from energy supply is only ever a measure of last resort.

To enable the commission to monitor the effectiveness of the new framework, we must update the reporting requirements to ensure that they align with the payment difficulty framework provisions in the Energy Retail Code that will take effect on 1 January 2019.¹

Under the Electricity Industry Act 2000 and the Gas Industry Act 2001, the commission is required to report on the performance of retailers and their compliance with their obligations under the regulatory framework.² The commission sets out its reporting obligations for energy retailers and

1. Introduction

¹ As foreshadowed in our final decision on the payment difficulty framework released on 10 October 2017, the payment difficulty framework results in changes to retailer obligations, and it is therefore necessary to update the reporting guideline to ensure that we collect data and report on matters relevant to retailer performance and compliance.

² The reporting guideline outlines the performance indicators as per s54W(a)(i) and (b) of the Essential Services Commission Act 2001 (these are on disconnections, reconnections, and on 'any other indicators for the performance of an energy retailer the commission determines'). The 'compliance and enforcement reports' as per s54V of the Essential Services Commission Act 2001 is Victorian Energy Market Report and its corresponding updates.

distribution businesses in the reporting guideline. The reporting guideline contains two types of reporting obligations:

- **Performance indicators** Retailers are required to report to us data on their performance in terms of market share, customer service and their support for customers facing payment difficulty. We use this data to monitor and report on the energy market. The Victorian Energy Market Report is one way we report on how the energy market is performing.
- **Compliance reporting -** Retailers and distributors must report to us when they have identified a situation where they have broken the energy rules. We set out the extent and type of information that must be reported to us.

On 30 June 2016, we published an interim version of the reporting guideline which included some new and updated performance indicators related to hardship programs. Now that we have reached a final decision on the payment difficulty framework, we must now review and finalise the changes made to the reporting guideline relating to payment difficulty and disconnections.

Scope

This review focused on amending the reporting guideline to support the commencement of the payment difficulty framework on 1 January 2019.

We have revised the performance indicators so that we can monitor the effectiveness of the payment difficulty framework. Similarly, we have updated the obligations for compliance reporting so that they align with the new framework.

We have also made a number of miscellaneous administrative changes that affect the reporting requirements of energy retailers and distribution businesses.

Structure of this final decision

Following this introduction, this final decision is structured as follows:

- Section 2 summarises the feedback we received on the draft decision
- Section 3 outlines the changes to performance indicators
- Section 4 outlines the changes to compliance reporting obligations
- Section 5 provides a summary of the various administrative changes
- Section 6 sets out the next steps.

1. Introduction

2. Feedback on our draft decision

Submissions on the draft decision

The draft decision on payment difficulty framework amendments to the reporting guideline was released for consultation on 29 May 2018. Table 2.1 summarises the key milestones for the consultation process.

Table 2.1 Key consultation milestone

Date	Consultation step
30 April 2018	Stakeholder workshop
29 May 2018	Release of draft decision for consultation
22 June 2018	Stakeholder submission period closed
30 July 2018	Release of final decision
1 January 2019	Revised reporting guideline takes effect

We received eight submissions in response to the draft decision, from six retailers, one distributor and one consumer group.³

In this section, we outline the key issues raised by stakeholders, as well as our response to the proposed performance indicators and compliance obligations in our draft decision. All specific feedback and our responses are summarised in Appendix A, B and C of this report.

Feedback related to performance indicators

Most stakeholders largely agreed with our approach to the proposed payment difficulty performance indicators but sought clarity on specific indicators. The common feedback received from stakeholders included the following:

- seeking clarification on the definition of unreasonable customer action for reporting purposes
- seeking clarification on the reporting of standard assistance
- describing the limitations on reporting on the implementation of practical assistance and other aspects of the framework, and
- seeking clarification on a number of specific performance indicators.

³ The complete list of submissions can be found in Appendix D.

^{2.} Feedback on our draft decision

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In response to this feedback, we have clarified the new reporting obligations for all retailers and refined these indicators where necessary. We also invited stakeholders to further discuss their feedback with us, to assist us in understanding and clarifying the proposed indicators for reporting purposes. Our specific responses to stakeholder feedback are summarised in the following section and are detailed in Appendix A and B of this final decision.

Defining unreasonable customer action

In our draft decision, we proposed a number of performance indicators that used the term 'unreasonable customer action' to specify the conditions under where customers are suspended from assistance or disconnected.

Some retailers sought further clarification on this term to ensure that the affected indicators could be more consistently reported on by all retailers. Powershop, AGL and Simply Energy expressed difficulty in reporting on customers that exhibit 'unreasonable customer action', suggesting that there was no specific definition in the Energy Retail Code related to this term (despite it being described in an associated guidance note).⁴,⁵ Simply Energy and AGL explained that retailers would need to develop their own internal business rules, which may result in inconsistent reporting between retailers across Victoria.⁶ Powershop similarly commented:

While Powershop understands the change in language may align with the tone of the PDF, introducing ambiguous language such as 'unreasonable customer action' to industry facing guidelines is not suitable. The term 'unreasonable customer action' is not defined in the Energy Retail Code and is too vague to sufficiently categorise such important data.⁷

⁶ Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

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⁴ Powershop, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

⁵ Essential Services Commission 2017, Energy Compliance and Enforcement Policy: Guidance note – Payment difficulty and disconnection: Version 1.0, p.51.

⁷ Powershop, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018, p. 2.

Retailers have historically reported on 'disconnections for non-payment', on the assumption that they have followed all the relevant energy rules prior to disconnection – retailers suggested that this will continue under the new framework. Furthermore, the system used by all retailers to request the disconnection of customers is aligned with the term 'non-payment' rather than 'unreasonable customer action'.

Our final decision

Our final decision is for retailers to continue reporting on 'disconnections for non-payment' rather than 'disconnections for unreasonable customer action'. This will allow for consistency with historical reporting and to ensure consistent reporting across the industry. However, in describing the indicator, we will reiterate the obligations on retailers under the new framework to ensure that disconnection for non-payment of an energy bill is only ever a measure of last resort. A similar approach has been taken for indicators related to suspended assistance.

Reporting on standard assistance

AGL, Momentum Energy and Simply Energy sought clarification on how to differentiate customers that accessed a standard assistance payment option out of convenience as opposed to reasons associated with anticipating payment difficulty.⁸ In particular, AGL raised a scenario where a customer could agree to a bill smoothing arrangement with a retailer but did not express any anticipation of payment difficulties. AGL further stated that:

This will likely result in over reporting of SA [standard assistance] against those customers who elect to take up a payment option.⁹

Under the new payment difficulty framework, standard assistance is an entitlement for all residential customers. If a residential customer with less than \$55 in arrears accepts a form of standard assistance offered by their retailer, then that customer should be counted in the reporting on the number of customers receiving standard assistance.¹⁰This assistance is intended to prevent customers getting into arrears by helping them manage their payments in a way that suits that

⁸ AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Momentum Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

⁹ AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018, p. 3.

¹⁰ Clause 76(2)(a)-(d) of the Energy Retail Code.

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customer. Because of this, we do not consider the reporting of customers who wish to take up any payment option aligned with standard assistance as leading to over reporting.

Our final decision

Standard assistance is a key aspect of the new framework in preventing customers from facing payment difficulty. Our final decision is for retailers to report on any form of standard assistance provided to their customers, as consistent with the new framework. We recognise that some retailer business models currently offer some of the standard assistance payment options to all of their residential customers by default. The new standard assistance performance indicator seeks to capture the number of customers receiving this assistance, regardless of whether it was offered by default or as a targeted means to help the customer avoid getting into arrears.

Reporting on practical assistance and other aspects of the framework

A number of stakeholders provided feedback on indicators related to practical assistance measures from retailers.

Sumo Power sought clarity on whether it should report on the number of offers for practical assistance, or the number of times a customer has accepted an offer.¹¹ Five retailers stated that it would be difficult to report on whether the practical assistance measures offered by a retailer were actually implemented by the customer, or report on its effectiveness in reducing customer energy costs.¹² Momentum Energy commented that:

¹¹ Sumo Power, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

¹² Sumo Power, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Momentum Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Energy Australia, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Retailers do not have a view of what transpires inside the customer's home, and while we do have visibility of outcomes (such as reductions in consumption) we are unable to state what, if anything, the customer has implemented to achieve these outcomes.¹³

Conversely, the Consumer Action Law Centre suggested that more information on practical assistance measures offered and implemented by retailers is needed. The Consumer Action Law Centre suggested that the commission also:

.... gather information about what measures the practical assistance consists of, the amount the retailer spent to implement the assistance and how many offers of practical assistance were made compared to the amount accepted by the customer and implemented. Gathering this information will reveal more about successes or gaps that arise from the new entitlements to practical assistance...¹⁴

The Consumer Action Law Centre also requested that retailers report on other information about the experience of customers seeking assistance from their retailer. Examples included number of customers being denied a market retail offer, offers to customers to change to the best tariff, the experience of customers who received help from community workers when engaging with their retailer, and the difference in experience of those in payment difficulty at the commencement of the new framework.

Our final decision

Practical assistance is an important part of the new framework to help customers reduce their energy usage and costs. It is useful to know the extent and type of measures offered by retailers to customers, as it will help us review how the industry is further assisting customers in payment difficulty. However, we recognise the reporting limitations of collecting this information under this guideline.

Our final decision is for retailers to report only on the number of offers of practical assistance to customers, rather than the number of times practical assistance has been implemented by customers. Retailers will also have the option to report additional information (qualitative or quantitative) on the types of practical assistance they have offered to customers and the outcomes resulting from these types of assistance.

¹³ Momentum Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018, p. 2.

¹⁴ Consumer Action Law Centre, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018, p. 2.

We also recognise the need for further information related to the effectiveness of the framework, however this type of information is not well suited to the performance indicators outlined in the guideline. We can instead obtain this information as part of our auditing program, our pulse checks of the industry, or other information requests, where necessary. We may also collect this type of information in our review of the framework.¹⁵

Specific performance indicator clarifications

AGL sought clarity on the definition of certain performance indicators, such as:

- the timing of when a customer would first receive assistance
- the timing of when arrears should be measured and reported.¹⁶

We considered this feedback and have made further refinements to affected indicators, as detailed in Appendix A and B.

Simply Energy also expressed concerns about potential system issues in reporting on the revised performance indicators.¹⁷ In making our final decision, we sought additional clarity from Simply Energy and other interested stakeholders on how indicators could be more accurately defined and reported on. These clarifications are contained in Appendix A and B. We will also continue monitoring and reporting on the readiness of all retailers in upgrading their systems to support the new framework.

Feedback related to compliance obligations

We received feedback from Powershop, AGL and Simply Energy on our proposed compliance reporting obligations related to payment difficulty.¹⁸ The feedback provided broadly fell into two categories:

¹⁵ As described in the proposed roadmap within our final decision on the payment difficulty framework released on 10 October 2017.

¹⁶ AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

¹⁷ Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

¹⁸ Powershop, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

- clarification on reporting breaches of obligations, and
- justifications for assigning obligation classification types.

We have provided a discussion on this feedback in the following section, and any changes to our draft decision are reflected in Appendix C of this report.

Reporting on breaches of obligations

In response to our draft decision on payment difficulty framework compliance obligations, some retailers sought clarification on reporting breaches of their obligations.

AGL questioned how they were to determine whether certain obligations had been breached, and how they could measure or test compliance with these obligations.¹⁹ Powershop and Simply Energy also questioned the rationale behind making a number of new obligations as being reportable to the commission.²⁰ In particular, Powershop commented that:

...the ESC should be looking to reduce industry (retailers and the ESC) compliance and administrative tasks so that the industry can work toward delivering better customer outcomes.²¹

The new payment difficulty framework provides important entitlements to customers anticipating or facing payment difficulty. As a result, retailers are obligated to follow new rules to ensure Victorian customers receive their entitlements. Reporting on breaches of these obligations is critical in ensuring that customers are receiving their entitlements from January 2019 and that the new framework is operating as intended. The commission has also provided guidance on the new framework and retailers will need to assess their own actions for compliance, and establish necessary controls for reporting compliance breaches to us under the new framework.²²

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¹⁹ AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

²⁰ Powershop, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

²¹ Powershop, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018, p. 6.

²² Essential Services Commission 2017, Energy Compliance and Enforcement Policy: Guidance note – Payment difficulty and disconnection: Version 1.0, p.51.

Justifications for assigning obligation classification types

Powershop and Simply Energy suggested we reconsider the classification types assigned to certain obligations in our draft decision, particularly related to additional type 1 obligations and the immediate reporting of these breaches.²³ For example, Simply Energy commented that:

The draft CPRG [Compliance and Performance Reporting Guideline] essentially makes entire, highly complex sections of the new Retail Code immediately reportable. Simply Energy considers that this is inefficient and potentially unworkable. Instead, the customer protections that when breached cause most customer detriment should be identified and only these placed in scope for immediate reporting.²⁴

Our final decision

In assessing the classification types to be assigned to the obligations set out under the payment difficulty framework, we used the criteria set out in section 2.1 of the reporting guideline. On this basis, a number of the new obligations have been made immediately reportable under the type 1 classification. The requirement to immediately report non-compliance ensures that retailers will have adequate controls in place to detect breaches and enable prompt remediation. This is important because failure to comply with many of the new obligations could have significant impact on residential customers from 1 January 2019. It should also be noted that we intend to review the operation of the new framework once it has been implemented for at least two years, including the categorisation of reportable breaches.²⁵

Our responses to feedback on specific obligations are detailed in Appendix C.

2. Feedback on our draft decision

²³ Powershop, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

²⁴ Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018, p. 3.

²⁵ Phase 4 of implementation as set out on p. 121 of the final decision on the payment difficulty framework.

3. Payment difficulty framework changes to performance indicators

Retailers are required to report to us on their performance in supporting customers anticipating or facing payment difficulty. We use this performance data to monitor and report on the Victorian energy market. Our review focuses on the performance indicators relating to the new payment difficulty framework that comes into effect on 1 January 2019.

3.1. Our approach

When making decisions, we are guided by our legislative objective to promote the long term interests of Victorian consumers with regard to the price, quality and reliability of essential services.²⁶ We must also have regard for certain matters to the extent they are relevant in any particular case, such as the benefits and costs of regulation. Our review also considered our ability to monitor the effectiveness of the new framework against its objectives, which are:

- to help customers avoid getting into arrears with their retailer
- to make it easier for customers to pay for their on-going energy use, repay their arrears and lower their energy costs
- to ensure that customers are only disconnected for non-payment of a bill as a last resort.²⁷

We engaged Ernst & Young to assist us in conducting our review of relevant performance indicators.

Our final decision was also informed by consultation with stakeholders through a workshop held on 30 April 2018, stakeholder meetings and formal submissions received on the draft decision. The changes from the draft decision to the final decision are detailed in Appendix A and B.

3.1.1. Reporting under the new payment difficulty framework

The new framework introduces entitlements for customers anticipating or facing payment difficulty that come into effect on 1 January 2019. Prior to this, retailers reported on a framework that includes terminology that no longer applies under the new payment difficulty framework. The new framework moves away from terminology such as "hardship programs" and "hardship customers" and focuses on the types of assistance provided to energy customers, as illustrated in Figure 2.1.

²⁶ Essential Services Commission Act 2001 (Vic), section 8.

²⁷ The objectives of assistance as set out on p. 67 of the final decision on the payment difficulty framework.

^{3.} Payment difficulty framework changes to performance indicators

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As a consequence, several performance indicators will need to reflect the terminology and entitlements under the new framework.

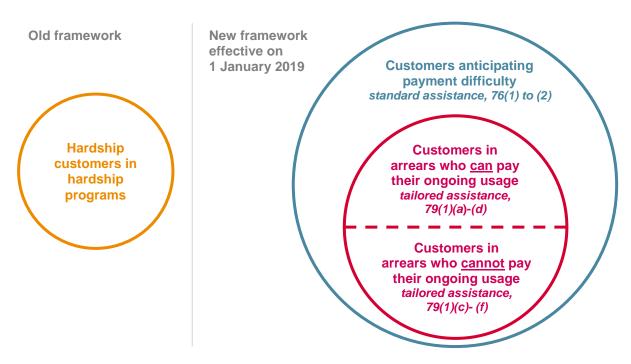


Figure 2.1 Changes in terminology for reporting under the payment difficulty framework

Source: Essential Services Commission 2018

3.2. Changes to definitions for reporting

We have included new definitions in the guideline to align with the new framework, as follows:

- New reporting definitions for **customers receiving assistance**, to align with the entitlements of residential customers receiving standard assistance or tailored assistance, as per the revised Energy Retail Code.
- Changing the terminology of debt to **arrears** to align with the terminology used in the Energy Retail Code.

The specific changes to reporting definitions have been provided in Appendix A.

3.3. Modifying existing performance indicators

A number of existing performance indicators relate to the experience of energy customers with arrears or disconnection in Victoria. These indicators provide valuable information on the level of assistance provided to customers facing or anticipating payment difficulty, such as:

3. Payment difficulty framework changes to performance indicators

- the level of customer arrears in Victoria as a whole, and specific to a retailer
- the extent that customers are receiving assistance and eliminating their arrears over time
- the rate of customer disconnections in Victoria undertaken as a last resort and
- the notices provided to customers facing payment difficulty.

These existing indicators will need to reflect the new terminology and entitlements of customers under the new framework. For example, indicators related to customers leaving hardship programs successfully or otherwise, need to be reframed in the context of customers no longer receiving assistance under the new framework.

We have modified a number of existing indicators to reflect the objectives of the new payment difficulty framework, as outlined in Table 3.1. The specific changes to these modified indicators are described in Appendix B.

We understand that retailers will need to change their IT systems to provide for the new entitlements that customers can access on 1 January 2019. Key aspects of this include being able to identify the type of assistance a customer might be receiving, and the amount of arrears accrued by the customer. We have modified existing indicators in line with capturing this new information about customers in order to be consistent with the IT system changes that retailers might need to make. This may reduce the associated costs of implementation.

Area of interest	Ref. number	Name of existing indicator	Name of modified indicator
Customer arrears	H050	Average debt of new entrants into the hardship program (\$)	Average arrears of residential customers commencing tailored assistance (\$)
	H070	Average debt of hardship program customers (\$)	Average arrears of residential customers receiving tailored assistance (\$)
	H060	Debt classifications of new entrants into a hardship program	Residential customers who commenced tailored assistance, with arrears
Customers no longer receiving	H090	Hardship program exits with agreement from the retailer	Residential customers no longer receiving tailored assistance because of no arrears
assistance	H110	Hardship program participants excluded for not complying with requirements	Residential customers no longer receiving tailored assistance for not complying with requirements
	H100	Hardship program exists due to switching, transferring or leaving the retailer	Customers no longer receiving tailored assistance due to switching, transferring or leaving the retailer

Table 3.1 Modifications to existing performance indicators

3. Payment difficulty framework changes to performance indicators

Area of interest	Ref. number	Name of existing indicator	Name of modified indicator
Duration of customer assistance	H080	Average length of participation for customers in a hardship program (days)	Average duration of residential customers receiving tailored assistance (days)
Disconnections	D050	Disconnection for non-payment	Disconnection for non-payment (residential customers)
	D051	Other disconnections	Other disconnections (residential customers)
	D090	Disconnections on more than one occasion	Disconnections on more than one occasion (<i>new indicator definition</i>)
Reconnections	D060	Reconnections within 7 days	Reconnections within 7 days (new indicator definition)
	D130	Reconnections of energy concessions	Reconnections of energy concession customers (new indicator definition)
Notices to customers	B180	Residential customers falling behind on payment	Notices delivered to residential customers related to payment difficulty

3.4. Introducing new performance indicators

We have introduced new performance indicators that relate to data that has not yet been captured, such as:

- the level of arrears of customers receiving different forms of assistance
- the level of arrears of customers at the time of being disconnected
- the disconnections of customers who had not received any form of assistance and
- the practical assistance measures offered to customers.

We recognise the costs of the industry in regulatory reporting. However, our new indicators seek to address reporting gaps that are important in monitoring the effectiveness of new entitlements for Victorian energy customers. Some of these new indicators also address the intent of indicators we propose to remove (discussed in the following section). For example, we have new indicators relating to the number of customers receiving different forms of assistance under the new framework. This replaces existing indicators on customer numbers in hardship programs and under instalment payment plans.

We also introduced a new indicator that considers the sale of a customer's arrears after disconnection. We have introduced this indicator as we do not currently collect any information relating to the customer experience after being disconnected. This will be useful in understanding the extent to which customers require assistance beyond the reach of the framework.

The specific changes to these modified indicators are described in Appendix B.

3. Payment difficulty framework changes to performance indicators

3.5. Removing performance indicators

Following our changes and additions to performance indicators, we have removed a number of existing indicators. We reviewed these indicators and found that:

- the indicators were not aligned with the new framework
- the indicators provided limited insight into the operation of the new framework
- the indicators offered limited ability to assess the effectiveness of the new framework and
- we are able to collect the same information using other (or a combination of other) indicators.

It should also be noted that the intent of some existing indicators we have removed have been replaced with new performance indicators (as described in Section 3.4). A summary of the indicators replaced by new indicators is shown in Table 3.2.

Area of interest	Ref, number	Existing indicator name (to be removed)	New indicator name (to be introduced as per section 3.4)
Customers receiving	H010 D020	Hardship program participants Instalment payment plans	Residential customers receiving standard assistance
assistance			Residential customers receiving tailored assistance
	H020	New entrants into retailer's hardship program	Residential customers who have commenced tailored assistance, having previously received standard assistance
	D021 D022	Instalment plans not covering use Instalment plans covering use	Residential customers receiving assistance, with aged arrears
			Residential customers not receiving assistance, with aged arrears
Disconnections	D080	Disconnections previously on an instalment payment plan	Residential customers with arrears at disconnection
	H120	Disconnections of all previous hardship program customers within 12 months	Disconnections for non-payment of residential customers who did not receive assistance
Customers	H140	Energy field audits provided at no cost	
taking up practical assistance	H150	Energy field audits provided at partial cost	offered practical assistance measures
	H160	Average cost contributed to an energy field audit where a customer contribution was required	
	H170	Appliances provided under hardship program	

Table 3.2 Replacement of existing performance indicators

3. Payment difficulty framework changes to performance indicators

The indicators to be removed are described in Appendix B.

3.6. Administrative changes

We have also made a number of administrative changes related to revised performance indicators:

- A revision to reporting templates Performance indicator reporting templates have been revised to reflect the changes to the performance indicators. This includes new reference numbers for performance indicators where appropriate.
- **Specifying the commencement date** The revised performance indicator requirements will take effect from 1 January 2019.

4. Payment difficulty framework changes to compliance reporting

Retailers must report to us when they have identified a situation where they have broken the energy rules. This is referred to as compliance reporting as part of our reporting guideline.

This review focused on the obligations relating to the new payment difficulty framework that comes into effect on 1 January 2019.

4.1. Our approach

In considering the revisions made to the Energy Retail Code to support the payment difficulty framework, our review of the compliance reporting obligations focussed on those that required modifying, those which should be added, and those which are no longer applicable. We engaged Allens to assist us in conducting this review.

The specific changes to compliance obligations for retailers have been provided in Appendix C, with further explanation for the changes.

4.2. Modifying existing compliance reporting obligations

We have amended the compliance reporting obligations to align with the revised Energy Retail Code. These changes involve substituting clause numbers in the obligation source column and descriptions within Section 2.1 of the reporting guideline. The existing obligation classification types have been retained.

We have modified three existing compliance reporting obligations. The specific changes to these modified compliance reporting obligations are described in Appendix C.

4.3. Introducing new compliance reporting obligations

New compliance reporting obligations have been introduced to ensure that all relevant payment difficulty framework provisions of the revised Energy Retail Code are reported to the commission when non-compliance has occurred.

The obligation classification types have been aligned with the framework described in Section 2.1 of the reporting guideline.

We have introduced 11 new compliance reporting obligations to reflect the new framework. The new compliance reporting obligations are described in Appendix C.

4. Payment difficulty framework changes to compliance reporting

4.4. Removing compliance reporting obligations

A number of compliance reporting obligations have been removed as they have been replaced by an equivalent obligation or are no longer applicable under the revised Energy Retail Code to support the payment difficulty framework.

We have removed four existing compliance reporting obligations. The removed compliance reporting obligations are described in Appendix C.

4.5. Administrative changes

We have also made a number of administrative changes related to revised compliance reporting obligations:

- A revision to the reporting template The retailer compliance reporting template has been revised to reflect the changes to the compliance obligations.
- **Specifying the commencement date** The revised compliance reporting obligations will take effect from 1 January 2019.

5. Administrative changes

In addition to amendments to align the reporting guideline with the payment difficulty framework, we have made a number of other miscellaneous administrative changes that are applicable to both energy retailer and distribution businesses.

Performance indicators

5.1. Performance indicator reporting schedule

The existing reporting guideline requires retailers to submit specific performance indicator data either on a quarterly, biannual or semi-annual basis. For consistency, and in line with the finalisation of the framework, retailers must submit all performance indicator data to the commission on a quarterly basis (call centre indicators are the only exception to this and will continue to be reported annually).

We have also changed the reporting timeframes for the second quarter of yearly data to 31 January or earlier, which is consistent with the reporting timeframes in other quarters (periods of three months) during the year. We have simplified and clarified the reporting guideline by removing the columns related to frequency and how the data will be interpreted. A large majority of existing indicators were required to be reported in monthly intervals.

The way we classify performance indicators has also changed. Under the new framework, these are divided into the following groups: background, call centre, assistance, arrears, and disconnection. Each indicator also includes a reference number, as outlined in Appendix B.

It should be noted that there have been no changes to the frequency of compliance reporting or wrongful disconnection reporting.

Compliance reporting

5.2. Inclusion of a fixed benefit period compliance reporting obligation

On 1 February 2018, we introduced new requirements on retailers to notify their customers about changes to the benefits they receive as part of their energy contract. Under the new rules, retailers are required to notify customers in advance of any changes to the benefits they receive, and also provide them with information about the Victorian Government's energy price comparator tool, Victorian Energy Compare. The compliance reporting obligations have been amended to include one new compliance reporting obligation on the requirement for retailers to give notice of a benefit change under clause 47A of the Energy Retail Code.

5. Administrative changes

5.3. Amendment to the criteria for Type 2 regulatory obligations

Regulatory obligations are classified as Type 1, Type 2 or Type 3 obligations. The criteria for determining the classification type for obligations is set out in the reporting guideline.

We have amended the Type 2 classification to remove 'obligations that are new' from the criteria. This change will prevent new obligations from being deemed Type 2 on the basis of when they are introduced, rather than the level of impact.

5.4. Change to sign off requirement for annual compliance reports

We have changed the report signoff for Type 1 quarterly and Type 1, Type 2 and Type 3 annual reports from requiring both the Chief Executive Officer or equivalent, and Chair of the Board to sign the report, to requiring only the Chief Executive Officer CEO or Managing Director.

This change to report sign off has been made to align with the Australian Energy Regulator. We also acknowledge that many licensees experience difficulty in achieving sign off by the Chair of the Board.

5.5. Extension of distributor reporting schedule

The distributor reporting schedule has been changed slightly to allow an additional week for distributors to compile and submit reports of planned outage notification breaches.

The additional time allowed for distributors has been made at the request of distributors. This allows them more time to put together the evidence of remediation we require.

5.6. Clarification of reporting obligations

Clause 1.5 and 1.6 of the reporting guideline that sets the retailer and distributor reporting obligations have been reformatted to improve clarity.

Our previous formatting led to some confusion about exactly what had to be reported and by when. The format changes now clarify existing reporting requirements.

5.7. Additional changes to retailer reporting templates

The compliance breach reporting template for Type 1, Type 2 and Type 3 obligations, previously located at Appendix A of the reporting guideline, has been expanded to include new fields and also updated to include new obligations to support the implementation of the payment difficulty framework.

5. Administrative changes

The new fields are necessary to gather information that we need to assess reported breaches in accordance with our Energy Compliance and Enforcement Policy.

The template has been aligned with the reporting template used by the Australian Energy Regulator to assist licensees who report in multiple jurisdictions.

The template will be available on our website and may be amended from time to time.

Other reporting templates

The content of the following templates have not changed and should continue to be used:

- Interim compliance and reporting guideline compliance breach reporting template 2017-18 distribution businesses
- Interim compliance and reporting guideline wrongful disconnections monthly reporting template 2017-18

These templates will continue to be available on our website and may be amended from time to time.

6. Commencement of the reporting guideline

The requirements of the revised reporting guideline will apply to reporting from 1 January 2019.

This will mean that retailers will need to begin capturing data on the updated set of performance indicators and begin reporting on breaches of the revised obligations from this date.

This aligns with the commencement of the payment difficulty framework.

6. Commencement of the reporting guideline

References

AGL, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Consumer Action Law Centre, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Essential Services Commission Act 2001 (Vic)

Essential Services Commission, Payment difficulty framework: Final decision, October 2017.

Essential Services Commission, Energy Compliance and Enforcement Policy: Guidance note – Payment difficulty and disconnection: Version 1.0, December 2017.

Essential Services Commission, pending amendments to the Energy Retail Code (payment difficulties), October 2017.

Momentum Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Powershop, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Simply Energy, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

Sumo Power, submission to the Essential Services Commission consultation paper 'Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline: Draft decision', June 2018.

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Appendix A – Definitions for performance indicators

Changes to existing definitions

Definition of debt (modified)

	Current definition		Justification for changes		Draft definition
DRAFT DECISION	Debt: Amount outstanding where this relates to money for a bill past its pay-by-date.	•	The terminology of debt has been replaced with arrears to align with the payment difficulty framework. The definition also specifies that arrears include any outstanding amount greater than \$55 inclusive of GST.	•	Arrears: Amount outstanding where this relates to money for a bill past its pay-by-date, which is greater than \$55 inclusive of GST.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final definition
FINAL DECISION	No specific feedback received on this definition in the draft decision.	•	Further clarification provided on definition of arrears.	•	Arrears: Amount outstanding where this relates to money for a bill past its pay-by-date, which is greater than \$55 inclusive of GST. Our definition assumes that customer arrears are based on the unpaid invoices of a customer and covers the total arrears on a customer's account.

Appendix A – Definitions for performance indicators

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New definitions

Definition of residential customer

	Current definition		Justification for new definition		Draft definition
DRAFT DECISION	Not currently defined in reporting guideline.	•	Inclusion of a defined term as specified in the Energy Retail Code, for clarity.	•	Residential customer: A residential customer who purchases energy principally for personal, household or domestic use.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final definition
FINAL DECISION	No specific feedback received on this definition in the draft decision.	•	No change from draft decision.	•	Residential customer: A residential customer who purchases energy principally for personal, household or domestic use.

Appendix A – Definitions for performance indicators

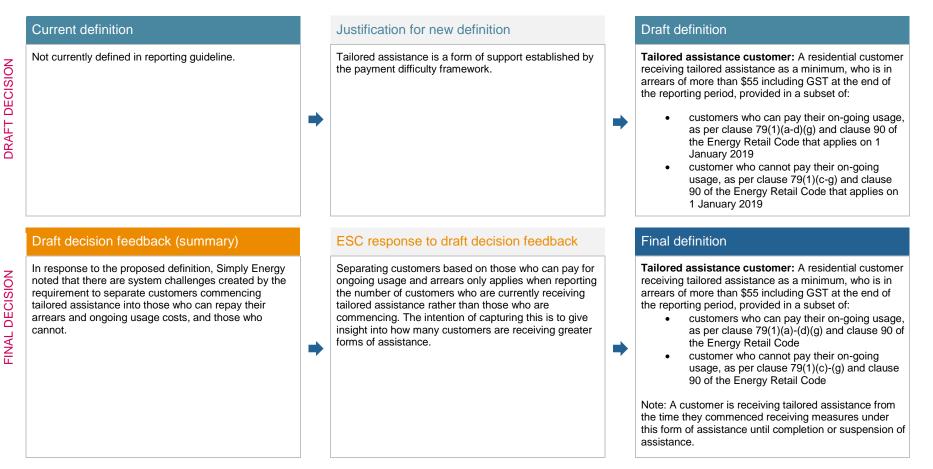
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Definition of a standard assistance customer

	Current definition		Justification for new definition		Draft definition
DRAFT DECISION	Not currently defined in reporting guideline.	•	Standard assistance is a form of support established by the payment difficulty framework.	•	Standard assistance customer: A residential customer receiving standard assistance as a minimum (as per clauses 76(2) (a-d) and clause 90 of the Energy Retail Code that applies on 1 January 2019), who is not in arrears of more than \$55 including GST at the end of the reporting period.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final definition
FINAL DECISION	No specific feedback received on this definition in the draft decision.	•	No change from draft decision.	•	Standard assistance customer: A residential customer receiving standard assistance as a minimum (as per clauses 76(2) (a)-(d) and clause 90 of the Energy Retail Code , who is not in arrears of more than \$55 including GST at the end of the reporting period.

Appendix A – Definitions for performance indicators

Definition of a tailored assistance customer



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Appendix B – Changes to performance indicators

Modifications to existing performance indicators

In assessing the changes to existing performance indicators, we considered the objectives of the framework, the outcomes that could be determined, achievability and whether the original intent remained relevant. These reflect the final performance indicators following consideration of stakeholder feedback on the draft decision, as described in our response set out in the table below.

H050 – Average debt of new entrants into the hardship program

	Current indicator		Justification for changes		Draft indicator
DRAFT DECISION	 Indicator: Average debt of new entrants into the hardship program (\$) Definition: The average debt of those customers entering a retailer's hardship program during each month within the reporting period. 	•	Amended to reflect the new types of assistance and support outlined in the payment difficulty framework. This amended indicator is useful because it provides information on the extent of arrears a customer has built up prior to receiving assistance from their retailer. This indicator may also provide insight into the timeliness of retailers in providing assistance to customers that are in arrears.	•	 Indicator: Average arrears of residential customers commencing tailored assistance (\$) Definition: Reported separately for electricity and gas, the average arrears of customers entering into tailored assistance each month within the reporting period. Provide data separately for: (a) Customers who are able to repay their arrears and pay for their ongoing usage costs (b) Customers who cannot afford to pay for their ongoing energy usage costs
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	AGL stated that the indicator is relevant only as a point in time indicator.		From 1 January 2019, the average debt of customers commencing tailored assistance will be relevant to evaluating how well standard assistance measures are working to prevent customers getting into arrears over time as the new framework progresses. For clarity, we have added more detail into the definition regarding identifying when customers commence tailored assistance.	•	New reference: AR020 Indicator: Average arrears of residential customers
	Some stakeholders sought clarity on when assistance begins and ends for this indicator.				commencing tailored assistance (\$)
		•			Definition: Reported separately for electricity and gas, the average arrears of customers entering into tailored assistance each month within the reporting period. Provide data separately for: (a) Customers who are able to repay their arrears and pay for their ongoing usage costs (b) Customers who cannot afford to pay for their ongoing energy usage costs
					Note: This indicator should be limited only to customers commencing their current round of tailored assistance in the reporting month. The current round of assistance is the period of time from when the customer started receiving measures under tailored assistance until completion or suspension of assistance. Our definition assumes that customer arrears are based on the unpaid invoices of a customer.

H070 – Average debt of hardship program customers (\$)

	Current indicator		Justification for changes		Draft indicator
DRAFT DECISION	 Indicator: Average debt of hardship program customers (\$) Definition: The average debt of all current hardship program customers as at the last day of each month within the reporting period. 	•	Amended to reflect the new types of tailored assistance and support outlined in the payment difficulty framework. This amended indicator is useful because it provides information on the level of customer arrears. The indicator may also provide insight into whether the assistance from a retailer is making it easier for customers to pay for their ongoing usage, repay arrears and lower their energy costs.	•	 Indicator: Average arrears of residential customers receiving tailored assistance (\$) Definition: Reported separately for electricity and gas, the average arrears of all customers receiving tailored assistance as at the last day of each month within the reporting period. Provide data separately for: (a) Customers who are able to repay their arrears and pay for their ongoing usage costs (b) Customers who cannot afford to pay for their ongoing energy usage costs This indicator is distinct from the average arrears of customers commencing tailored assistance.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	Some stakeholders sought clarity on when assistance begins and ends for this indicator.	•	For clarity, we have added more detail into the definition regarding identifying the period that a customer is receiving assistance.	•	New reference: AR010 Indicator: Average arrears of residential customers receiving tailored assistance (\$) Definition: Reported separately for electricity and gas, the average arrears of all customers receiving tailored assistance as at the last day of each month within the reporting period. Provide data separately for: (a) Customers who are able to repay their arrears and pay for their ongoing usage costs (b) Customers who cannot afford to pay for their ongoing energy usage costs Note: This indicator should be limited only to customers receiving their current round of tailored assistance. The current round of assistance is the period of time from when the customer started receiving measures under tailored assistance until completion or suspension of assistance. Our definition assumes that customer arrears are based on the unpaid invoices of a customer. This indicator is distinct from the average arrears of customers commencing tailored assistance.

Appendix B – Changes to performance indicators

H080 – Average length of participation for customers in a hardship program (days)

	Current indicator		Justification for changes		Draft indicator
DRAFT DECISION	 Indicator: Average length of participation for customers in a hardship program (days) Definition: Average number of days since current participants entered a retailer's hardship program (calculated as at the last calendar day of each month in the reporting period). 	•	Amended to reflect changes in terminology relating to the assistance and support outlined in the new framework. This amended indicator provides information about the average length of time customers are receiving different types of tailored assistance. This may indicate the time it takes for customers to either repay their arrears or receive greater assistance when they cannot afford to pay for their ongoing energy costs.	•	 Indicator: Average duration of residential customers receiving tailored assistance (days) Definition: Reported separately for electricity and gas, the average number of days since customers commenced receiving tailored assistance (calculated as at the last calendar day of each month in the reporting period). Provide data separately for: (a) Customers who are able to repay their arrears and pay for their ongoing usage costs (b) Customers who cannot afford to pay for their ongoing energy usage costs.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	AGL sought clarity on whether this indicator is intended for where a customer is receiving tailored assistance for the first time, or if it related to the current round of assistance. They noted that reporting on the current round of tailored assistance would be problematic.	•	To evaluate the assistance a customer is currently receiving, this indicator intends to capture the amount of time a customer has been receiving their current round of tailored assistance.	•	New reference: AS090 Indicator: Average duration of residential customers receiving tailored assistance (days) Definition: Reported separately for electricity and gas, the average number of days since customers commenced receiving their current round of tailored assistance (calculated as at the last calendar day of each month in the reporting period). Provide data separately for: (a) Customers who are able to repay their arrears and pay for their ongoing usage costs (b) Customers who cannot afford to pay for their ongoing energy usage costs. Note: For clarity, the current round of tailored assistance is the period of time from when the customer started receiving measures under tailored assistance until completion or suspension of assistance.

H090 – Hardship program exits with agreement from the retailer

	Current indicator		Justification for changes		Draft indicator
NO	Indicator: Hardship program exits with agreement from the retailer		Amended to reflect changes in terminology relating to the assistance and support outlined in the new		Indicator: Residential customers no longer receiving tailored assistance because of no arrears
DRAFT DECISION	Definition: For each month within the reporting period, the number of customers exiting a hardship program following successful completion of the program or by agreement with the retailer.	•	framework. This amended indicator is useful because it provides information about the number of customers that have repaid their arrears. This indicator will assist us in understanding if the tailored assistance offered by a retailer is effective at helping customers to pay for their ongoing usage, repay arrears and lower their energy costs.	•	Definition: Reported separately for electricity and gas, for each month within the reporting period, the number of customers who are no longer receiving tailored assistance as they are no longer facing payment difficulties. Provide data separately for: (a) Customers who are able to repay their arrears and pay for their ongoing usage costs (b) Customers who cannot afford to pay for their ongoing energy usage costs.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	AGL sought clarity on how a customer that has their arrears on hold for six months would no longer receive assistance on the basis of not having arrears.	•	This indicator has been revised to no longer disaggregate between customers based on their ability to pay for ongoing usage and arrears. For clarity, this indicator aims to capture customers who have successfully reduced their arrears below \$55 and this has been reflected in the final indicator.	•	New reference: AS060 Indicator: Residential customers no longer receiving tailored assistance because of no arrears Definition: Reported separately for electricity and gas, for each month within the reporting period, the number of customers who are no longer receiving tailored assistance as they are no longer facing payment difficulties. Note: This includes customers who are no longer facing payment difficulties and have successfully reduced their arrears below \$55.

H110 – Hardship program participants excluded for not complying with requirements

	Current indicator		Justification for changes		Draft indicator
NO	Indicator: Hardship program participants excluded for not complying with requirements		Amended to reflect changes in terminology relating to the assistance and support outlined in the new framework. This amended indicator is useful because it		Indicator: Residential customers no longer receiving tailored assistance due to unreasonable customer
DRAFT DECISION	Definition: For each month within the reporting period, the number of customers excluded or removed from a retailer's hardship program for non-compliance with program requirements (for example, customer did not make the required payments or failed to maintain contact the retailer). Note: This should also include those participants who leave the program because they feel they are unable to meet program requirements or make the payments required by the retailer.	•	identifies the number of customers that have not complied with the requirements of the framework. This indicator can also indicate the extent that retailers have attempted to provide assistance, prior to the disconnections of customers as a last resort.	•	action Definition: Reported separately for electricity and gas, for each month within the reporting period, the number of residential customers who are no longer receiving tailored assistance because of unreasonable customer action as per clause 83(a)(b). Note: This does not include customers that have been disconnected for unreasonable customer action.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
DECISION	As described in section 2 of this report, AGL and Powershop suggested that there may be potential inconsistencies in reporting by retailers on customers that exhibit 'unreasonable customer action'.		Under the new framework, retailers are required to assess whether a customer has taken reasonable action with regard to their arrears. In our draft decision we revised certain indicators to reflect changes in terminology relating to retailer		New reference: AS080 Indicator: Residential customers no longer receiving tailored assistance for not complying with requirements. Definition: Reported separately for electricity and gas,
FINAL		•	obligations. Despite this, these indicators are intended to capture the same type of information. For clarity, the names of these indicators will not include	•	for each month within the reporting period, the number of residential customers who are no longer receiving tailored assistance because of not complying with requirements.
			reference to 'unreasonable customer action'. For consistency in reporting, this indicator should not include customers captured under the revised indicator AS060.		Note: This includes customers who are no longer being provided assistance by their retailer in accordance with clause 83 of the Energy Retail Code. This must exclude the customers captured under AS060.

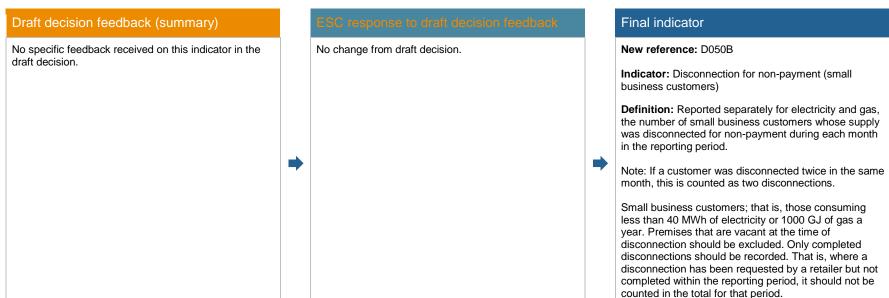
Appendix B – Changes to performance indicators

D050 (Residential) – Disconnection for non-payment

Current indicator Justification for changes Draft indicator Indicator: Disconnection for non-payment Amended to reflect changes in terminology relating to Indicator: Disconnection for unreasonable customer DECISION the assistance and support outlined in the new action (residential customers) **Definition:** Reported separately for electricity and gas framework. This amended indicator is useful because it under each customer category below, the number of provides information on the number of customers that Definition: Reported separately for electricity and gas, customers whose supply was disconnected for nonhave been disconnected on the basis of customers not the number of residential customers whose supply was payment during each month in the reporting period. complying with the requirements of the framework. This disconnected for unreasonable customer action during **RAFT** | Note: If a customer was disconnected twice in the same can indicate the extent the framework is ensuring that each month in the reporting period. month, this is counted as two disconnections. disconnection of customers is a last resort. Note: These disconnections are as per clause 111A (a) Residential customers regarding the residential customers to only be (b) Small business customers: that is, those consuming We also split this indicator by customer type as the disconnected as a last resort for non-payment. If a less than 40 MWh of electricity or 1000 GJ of gas a payment difficulty framework does not apply to small customer was disconnected twice in the same month. vear. Note: Premises that are vacant at the time of business customers. this is counted as two disconnections. disconnection should be excluded. Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. Draft decision feedback (summary) ESC response to draft decision feedback Final indicator New reference: D050A As described in section 2 of this report, AGL and Under the new framework, retailers are required to FINAL DECISION Powershop suggested that there may be potential assess whether a customer has taken reasonable inconsistencies in reporting by retailers on customers Indicator: Disconnection for non-payment (residential action with regard to their arrears. that exhibit 'unreasonable customer action'. customers) In our draft decision we revised certain indicators to reflect changes in terminology relating to retailer **Definition:** Reported separately for electricity and gas, obligations. Despite this, these indicators are intended the number of residential customers whose supply was to capture the same type of information. disconnected for non-payment during each month in the reporting period. For clarity, the names of these indicators will not include reference to unreasonable customer action. However, Note: These disconnections are as per clause 111A of with regard to alleged wrongful disconnections referred the Energy Retail Code requiring that residential to the commission, we would expect the retailer to customers are only disconnected as a last resort for provide records demonstrating the customer had not non-payment. If a customer was disconnected twice in the same month, this is counted as two disconnections. acted unreasonably in the circumstances.

D050 (Small business) – Disconnection for non-payment

Current indicator		Justification for changes		Draft indicator
 Indicator: Disconnection for non-payment Definition: Reported separately for electricity and gas under each customer category below, the number of customers whose supply was disconnected for non-payment during each month in the reporting period. Note: If a customer was disconnected twice in the same month, this is counted as two disconnections. (a) Residential customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year. Note: Premises that are vacant at the time of disconnection should be excluded. Only completed disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. 	•	We split this indicator by customer type as the payment difficulty framework does not apply to small business customers.	•	No changes to the definition of this indicator except that it now applies only to small business customers.



D051 (Residential) – Other disconnections

Current indicator

Indicator: Other disconnections

Definition: Reported separately for electricity and gas under each customer category below, the number of disconnections in the reporting period that were not included in 'Disconnections for non-payment ' (a) Residential customers (b) Small business customers; that is, those consuming

less than 40 MWh of electricity or 1000 GJ of gas a year.

Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.

Draft decision feedback (summary)

AGL sought clarity on the purpose of disconnecting a customer voluntarily. Powershop similarly noted that it was unclear what disconnection causes were to be reported on under this indicator.

Justification for changes

This indicator has been slightly amended to reflect changes in other disconnection indicators (D050) and the new terminology under the new framework. Specifically, this indicator intends to capture disconnections that are not related to the payment difficulty framework and is a background indicator of disconnections occurring in Victoria (for example, the extent of voluntary disconnections occurring in Victoria).

We split this indicator by customer type as the payment difficulty framework does not apply to small business customers.

ESC response to draft decision feedback

As under the previous framework, this indicator captures disconnections where the reason for disconnecting is not related to the customer's arrears. We expect these are largely voluntary disconnections requested by the customer.

For example, if the customer is performing extensive renovations and has requested their retailer deenergise their property for a certain period to allow the renovations to take place.

Draft indicator

Indicator: Other disconnections (residential customers) Definition: Reported separately for electricity and gas for residential customers, the numbers of disconnections in the reporting period that were not due to unreasonable customer action. This includes customers that are disconnected voluntarily. Note: For clarity, this indicator does not include disconnections due to unreasonable customer action or those anticipating or facing payment difficulty (as per indicators D050A and D050B). Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.

Final indicator

New reference: D051A

Indicator: Other disconnections (residential customers)

Definition: Reported separately for electricity and gas, the number of disconnections in the reporting period that were not included in the indicator 'disconnections for non-payment' (residential).

Note: For clarity, this indicator does not include disconnections due to non-payment or those anticipating or facing payment difficulty (as per indicators D050A and D050B). Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.

DRAFT DECISION

D051(Small business) – Other disconnections

	Current indicator		Justification for changes		Draft indicator
DRAFT DECISION	 Indicator: Other disconnections Definition: Reported separately for electricity and gas under each customer category below, the number of disconnections in the reporting period that were not included in 'Disconnections for non-payment ' (a) Residential customers (b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year. Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. 	•	We split this indicator by customer type as the payment difficulty framework does not apply to small business customers.	-	No changes to the definition of this indicator except that it now applies only to small business customers.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
Z	No specific feedback received on this indicator in the draft decision.		No change from draft decision.		New reference: D051B
DECISION					Indicator: Other disconnections (small business customers)
FINAL DI		•		•	Definition: Reported separately for electricity and gas, the number of disconnections in the reporting period that were not included in the indicator 'disconnections for non-payment '
					Note: Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.
					Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.

D060 (Residential) – Reconnections within 7 days

Current indicator

DECISION

RAFT

Indicator: Reconnections within 7 days

Definition: Reported separately for electricity and gas under each customer category below, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for non-payment during each month in the reporting period. Note: If a customer was disconnected twice in the same month, this is counted as two disconnections.

(a) Residential customers

(b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.

Note: Only completed reconnections should be recorded. That is, where a reconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. The 7 days are inclusive, with the day of disconnection being counted as the first day, and include weekends.

Justification for changes

Amended to reflect changes in terminology relating to the assistance and support outlined in the new framework. This amended indicator provides information on the timeliness of reconnections following disconnection as a last resort by the retailer.

We split this indicator by customer type as the payment difficulty framework does not apply to small business customers.

Draft indicator

Indicator: Reconnections within 7 days

Definition: Reported separately for electricity and gas, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for unreasonable customer action during each month in the reporting period.

Note: If a customer was disconnected twice in the same month, this is counted as two disconnections. This indicator relates to disconnections as per clause 111A regarding the residential customers to only be disconnected as a last resort for unreasonable customer action.

Draft decision feedback (summary)

CALC suggested that it would be useful to introduce 7 and 10 day timelines for this indicator, for further information about the customer journey following disconnection.

ESC response to draft decision feedback

We intend to capture the number of customers whose arrears are sold following disconnection. However, the 10 day period is in reference to wider governance over the handling of customer arrears and not a request for data on customer arrears sold at a specific point in time only. We have made no major change to this indicator from the draft decision.

Final indicator

New reference: D060A

Indicator: Reconnections within 7 days (residential customers)

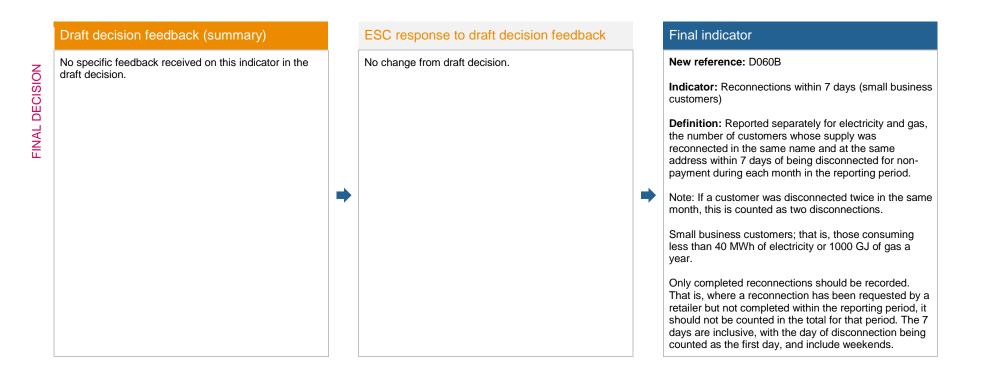
Definition: Reported separately for electricity and gas, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for non-payment during each month in the reporting period.

Note: If a customer was disconnected twice in the same month, this is counted as two disconnections. This indicator relates to disconnections as per clause 111A of the Energy Retail Code requiring that residential customers are only disconnected as a last resort for non-payment.

Only completed reconnections should be recorded. That is, where a reconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. The 7 days are inclusive, with the day of disconnection being counted as the first day, and include weekends.

D060 (Small business) – Reconnections within 7 days

Current indicator		Justification for changes		Draft indicator
 Indicator: Reconnections within 7 days Definition: Reported separately for electricity and gas under each customer category below, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for non-payment during each month in the reporting period. Note: If a customer was disconnected twice in the same month, this is counted as two disconnections. (a) Residential customers (b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year. Note: Only completed reconnections should be recorded. That is, where a reconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. The 7 days are inclusive, with the day of disconnection being counted as the first day, and include weekends. 	•	We split this indicator by customer type as the payment difficulty framework does not apply to small business customers.	•	No changes to the definition of this indicator except that it now applies only to small business customers.



B180 – Residential customers falling behind on payment

	Current indicator		Justification for changes		Draft indicator
DRAFT DECISION	 Indicator: Residential customers falling behind on payment Definition: Reported separately for electricity and gas the number of disconnection notices issued where the amount outstanding all relates to the current billing period and is greater than \$120 (exclusive of GST). Note: this is for residential customers only. 	•	Expanded to include reporting of notices relating to suspended assistance. This amended indicator focuses on whether the assistance provided was useful at preventing disconnection, and the extent that retailers are engaging with customers facing payment difficulty.	•	 Indicator: Notices delivered to residential customers related to payment difficulty Definition: Reported separately for electricity and gas, the number of notices issued where the amount outstanding all relates to the current billing period and is greater than \$300 (inclusive of GST), where the customer is not disconnected in that month. Provide data separately for: (a) Notifications of suspended assistance (b) Disconnection warning notices.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	AGL and Powershop provided feedback on the inclusion of notifications of suspended assistance. AGL sought clarification on the meaning of suspended assistance and connection to notices. Powershop suggested that these indicators may not be useful in describing the connection between the number of disconnection warning notices and whether the assistance provided was useful at preventing disconnection.	•	We have amended this indicator to remove the need to report on notices of suspended assistance. This has been replaced by reporting on the number of reminder notices. Capturing the number of reminder notices and disconnection warning notices may provide insight into how well these notices work at preventing a customer from being disconnected as a last resort.	•	 New reference: AR080 Indicator: Notices delivered to residential customers related to payment difficulty Definition: Reported separately for electricity and gas, the number of notices issued where the amount outstanding all relates to the current billing period and is greater than \$300 (inclusive of GST), where the customer is not disconnected in that month. Provide data separately for: (a) Reminder notices (b) Disconnection warning notices.

D090 – **Disconnections on more than one occasion**

	Current indicator		Justification for changes		Draft indicator
z	Indicator: Disconnections on more than one occasion		Amended to reflect changes in terminology relating to		Indicator name unchanged
DRAFT DECISION	Definition: The number of <u>residential</u> customers disconnected for non-payment during the reporting period who have been disconnected at least once before in the previous 24 months. Note: If a customer is disconnected twice in the same reporting period, this is counted as two disconnections.	•	the assistance and support outlined in the new framework. This amended indicator is useful because it provides information on the extent to which customers facing payment difficulty are in a cycle of disconnection.	•	 Definition: Reported separately for electricity and gas, the number of residential customers on tailored assistance disconnected for unreasonable customer action who have been disconnected at least once before in the previous 24 months. Provide data separately for: (a) Customers who are able to repay their arrears and pay for their ongoing usage costs (b) Customers who cannot afford to pay for their ongoing energy usage costs Note: If a customer is disconnected as two disconnections.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
z	AGL sought clarification on the effect of this indicator		This indicator has been revised to no longer		New reference: D090
DECISION	and pointed out issues with reporting on this indicator, particularly as customers receiving tailored assistance cannot be disconnected.		disaggregate between customers based on their ability to pay for ongoing usage and arrears.		Indicator: Disconnections on more than one occasion
FINAL DE	Powershop advised us that the reporting template did not cater for reporting separately on electricity and gas.	•		•	Definition: Reported separately for electricity and gas, the number of residential customers on tailored assistance disconnected for non-payment who have been disconnected at least once before in the previous 24 months.
					Note: If a customer is disconnected twice in the same reporting period, this is counted as two disconnections.

Appendix B – Changes to performance indicators

H060 – Debt classifications of new entrants into a hardship program

	Current indicator		Justification for changes		Draft indicator
NO	Indicator: Debt classifications of new entrants into a hardship program		Amended to reflect changes in terminology relating to the assistance and support outlined in the new		Indicator: Residential customers who commenced tailored assistance, with arrears
DRAFT DECISION	Definition: The number of customers entering a retailer's hardship program during each month within the reporting period with a debt that was: (a) Between \$0 and \$500 (b) Over \$500 but less than \$1,500 (c) Over \$1,500 but less than \$2,500 (d) \$2,500 or more.	•	framework. This amended indicator focuses on the extent of customer arrears prior to receiving tailored assistance from their retailer. This indicator addresses whether the retailer assisted the customer in avoiding getting into arrears and, if the offer of tailored assistance was provided in a timely manner	•	Definition: Reported separately for electricity and gas under each customer category below, the number of customers receiving tailored assistance for the first time during each month within the reporting period with arrears that was: (a) Between \$55 and \$500 (b) Over \$500 but less than \$1,500 (c) Over \$1,500 but less than \$2,500 (d) \$2,500 or more.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	Simply Energy suggested potential difficulties in separately reporting on the number of customers 'commencing' and those 'receiving' tailored assistance. They suggested that the most useful data point is the number of customers receiving tailored assistance. AGL was similarly seeking clarity on the required data point for this indicator and sought to understand whether it is intending to capture assistance provided for the first time ever, or the first time in that month. Consumer Action Law Centre suggested that this indicator also capture arrears greater than \$5,000 because of the risks associated with higher debt levels.	•	The number of customers receiving tailored assistance alone does not provide adequate insight into the flow of customers who need help paying their bills each month. This indicator is intended to capture customers commencing their current round of tailored assistance in that reporting month for the specific fuel to which it is related. We note the value of capturing customers commencing tailored assistance with arrears over \$5,000 specifically and have revised the indicator to include this. For consistency across reporting, all dual fuel customers are to be captured under each specific fuel type that relates to them.	•	 New reference: AR030 Indicator: Residential customers who commenced tailored assistance, with arrears Definition: Reported separately for electricity and gas, the number of customers commencing their current round of tailored assistance during the month of reporting, with arrears that were: (a) Between \$55 and \$500 (b) Over \$500 but less than \$1,500 (c) Over \$1,500 but less than \$2,500 (d) Over \$2,500 but less than \$5,000 (e) \$5,000 or more. Note: This indicator should be limited only to customers commencing their current round of tailored assistance is the period of time from when the customer started receiving measures under tailored assistance.

H100 – Hardship program exists due to switching, transferring or leaving the retailer

	Current indicator		Justification for changes		Draft indicator
DRAFT DECISION	 Indicator: Hardship program exists due to switching, transferring or leaving the retailer Definition: For each month within the reporting period, the number of customers exiting a retailer's hardship program because they switched / transferred to another retailer or otherwise left the retailer. 	•	Amended to align with the terminology of the new framework. This indicator identifies the number of customers that are no longer receiving tailored assistance on the basis of a transfer, rather than those that have cleared their arrears or been suspended for unreasonable customer action. This indicator can be analysed with other indicators to understand the number of customers receiving assistance across Victoria.	•	 Indicator: Residential customers no longer receiving tailored assistance due to transfer Definition: Reported separately for electricity and gas, for each month within the reporting period, the number of customers no longer receiving tailored assistance because they switched / transferred to another retailer or otherwise left the retailer.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator in the draft decision.	•	No change from draft decision.	•	New reference: AS070 Indicator: Residential customers no longer receiving tailored assistance due to switching, transferring or leaving the retailer Definition: Reported separately for electricity and gas, for each month within the reporting period, the number of customers no longer receiving tailored assistance because they switched / transferred to another retailer or otherwise left the retailer.

Appendix B – Changes to performance indicators

D100 – Disconnections of energy concession customers

	Current indicator		Justification for changes		Draft indicator
DRAFT DECISION	Indicator: Disconnections of energy concession customers Definition: The number of energy concession customers disconnected for non-payment during the reporting period. Note: An energy concession customer is a residential customer that is recorded by the retailer as eligible for and is receiving an energy concession, where the concession is administered by the retailer.	•	Amended to reflect changes in terminology relating to retailer obligations outlined in the new framework regarding disconnections. This indicator identifies the number of concession customers that were receiving tailored assistance and were disconnected for unreasonable customer action. This data is particularly useful for industry or government with a particular interest in concession customers.	-	Indicator name unchanged Definition: Reported separately for electricity and gas, the number of energy concession customers receiving tailored assistance that were disconnected for unreasonable customer action during each month in the reporting period. Note: An energy concession customer is a residential customer that is recorded by the retailer as eligible for and is receiving an energy concession, where the concession is administered by the retailer.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	Powershop suggested that the definition for this indicator should be amended to remove the reference to 'unreasonable customer action'.	•	In our draft decision we revised certain indicators to reflect changes in terminology relating to retailer obligations. Despite this, these indicators are intended to capture the same type of information. For clarity, the names of these indicators will not include reference to unreasonable customer action.	•	 New reference: D100 Indicator: Disconnections of energy concession customers Definition: Reported separately for electricity and gas, the number of energy concession customers receiving tailored assistance that were disconnected for non-payment during each month in the reporting period. Note: An energy concession customer is a residential customer that is recorded by the retailer as eligible for and is receiving an energy concession, where the concession is administered by the retailer. These disconnections are as per clause 111A of the Energy Retail Code requiring that residential customers are only disconnected as a last resort for non-payment. If a customer was disconnected twice in the same month, this is counted as two disconnections.

D130 – Reconnections of energy concessions

Current indicator Indicator: Reconnections of energy concessions

Definition: The number of energy concession customers reconnected in the same name and at the same address during the reporting period within 7 days of being disconnected for non-payment. Note: An energy concession customer is a residential customer that is recorded by the retailer as eligible for and receiving an energy concession, where the concession is administered by the retailer.

Justification for changes

Amended to reflect changes in terminology relating to retailer obligations outlined in the new framework regarding disconnections. This amended indicator can indicate the timeliness of reconnections of concession customers, following disconnection for unreasonable customer action. This data is particularly useful for industry or government with a particular interest in concession customers. This is also a background indicator that can be compared with the levels of disconnections occurring at a point in time.

Draft indicator

Indicator name unchanged

Definition: Reported separately for electricity and gas, the number of energy concession customers previously receiving tailored assistance that were reconnected in

the same name and at the same address during the reporting period within 7 days of being disconnected for unreasonable customer action.

Note: An energy concession customer is a residential customer that is recorded by the retailer as eligible for and receiving an energy concession, where the concession is administered by the retailer.

Draft decision feedback (summary)

In response to this indicator and D150, the Consumer Action Law Centre submitted that it would be useful to make both indicators cover a 10-day period or introduce 7 and 10 day periods, so that information can be captured on the customer journey following disconnection.

ESC response to draft decision feedback

We intend to capture the number of customers whose arrears are sold following disconnection. The 10 day period is in reference to wider governance over the handling of customer arrears and not a request for data on customer arrears sold at a specific point in time only. For clarity, we have revised the indicator to no longer include reference to the 10 day period.

Final indicator

New reference: D130

Indicator: Reconnections of energy concession customers

Definition: Reported separately for electricity and gas, the number of energy concession customers previously receiving tailored assistance that were reconnected in the same name and at the same address during the reporting period within 7 days of being disconnected for non-payment.

Note: An energy concession customer is a residential customer that is recorded by the retailer as eligible for and receiving an energy concession, where the concession is administered by the retailer.

DECISION

RAFT

H030 – Hardship program participants receiving energy concessions

	Current indicator		Justification for changes		Draft indicator
DRAFT DECISION	 Indicator: Hardship program participants receiving energy concessions Definition: The number of current participants in a retailer's hardship program as at the last calendar day of each month within the reporting period who are also energy concession customers. An energy concession customer is a residential customer that is recorded by the retailer as eligible for and is receiving an energy concession, where the concession is administered by the retailer. Note: By default, this will also enable the Commission to calculate the remaining participants in a hardship program who are not in receipt of energy concessions. 	•	We proposed for this indicator to be deleted. The terminology in this indicator no longer aligns with the new payment difficulty framework. This indicator also offers limited ability to assess the effectiveness of the payment difficulty framework.	•	We proposed for this indicator to be deleted.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	In response to our proposal to remove this indicator, CALC submitted that we should capture information about the number of energy concession customers accessing both standard assistance and tailored assistance. It was submitted that this information will provide insights to the effectiveness and coverage of concession programs.	•	We note the requirement to report on concession customers is already established in current retailer reporting systems. We reconsidered this indicator in that it can provide further insight into concession programs and its interactions with the new payment difficulty framework. Instead of deleting this indicator, we have proposed to replace the original indicator.	•	 New reference: AS030 Indicator: Residential customers receiving tailored assistance and receiving energy concessions Definition: Reported separately for electricity and gas, the number of customers receiving tailored assistance who are also energy concession customers. An energy concession customer is a residential customer that is recorded by the retailer as eligible for and is receiving an energy concession customer receiving tailored assistance as a minimum, who is in arrears of more than \$55 including GST at the end of the reporting period, provided in a subset of: (a) customers who can pay their on-going usage, as per clause 79(1)(a)-(d)(g) and clause 90 of the Energy Retail Code (b) customer who cannot pay their on-going usage, as per clause 79(1)(c)-(g) and clause 90 of the Energy Retail Code

Additions to performance indicators

In assessing additions to performance indicators, we considered the objectives of the framework, the outcomes that could be determined, achievability and gaps in the suite of existing performance indicators. These reflect the final performance indicators following consideration of stakeholder feedback on the draft decision, as described in our response set out in the table below.

AS010 – Residential customers receiving standard assistance (new indicator)

Cu	rrent indicator		Justification for new indicator		Draft indicator
	current indicator – a new reporting indicator is uired under the new framework.	•	This indicator provides information on the number of customers who receive standard assistance to assist them to avoid getting into arrears. This indicator identifies the extent that customers are being supported by their retailer to avoid getting into arrears. It should be noted that this indicator replaces the intent of the existing hardship and payment plan indicators H010, H020, D020, D021, and D022.	•	 Indicator: Residential customers receiving standard assistance Definition: Reported separately for electricity and gas, the number of customers receiving standard assistance A customer receiving standard assistance as a minimum (as per clauses 76(2)(a-d) and clause 90 of the ERC that applies on 1 January 2019), who is not in arrears of more than \$55 including GST at the end of the reporting period.

Draft decision feedback (summary)

AGL sought clarity on how to differentiate between customers making a payment choice, as opposed to taking up standard assistance due to anticipated payment difficulties. They propose that this indicator will result in over reporting.

Similarly, Momentum Energy sought clarity on how to report on customers who commence and complete standard assistance in the form of a payment extension in the same month. Momentum Energy also suggested there was difficulty in reporting on customers who pay in advance without making formal arrangements with their retailer to do so.

ESC response to draft decision feedback

Standard assistance is available to all customers to help them from getting into arrears, by managing their payments in the best way possible. This includes all payment options available under standard assistance regardless of whether the customer is anticipating payment difficulties.

For clarity, customers should only be captured under this indicator if their payment options under standard assistance are in place at the end of the month. A payment extension under standard assistance is to be applied for at least one billing cycle in any 12 month period. We are aware that this may not result in the recording of a customer commencing and completing a payment extension option under standard assistance within a single month, but consider this unlikely given the minimum payment extension must be at least one billing cycle.

Regarding customers who pay in advance, retailers should only report on customers who have arrangements in place with their retailer to pay in advance.

Final indicator

Reference: AS010

Indicator: Residential customers receiving standard assistance

Definition: Reported separately for electricity and gas, the number of customers receiving standard assistance. A customer receiving standard assistance as a minimum as at the end of the reporting period.

Note: Standard assistance is as per clauses 76(2)(a)-(d) and clause 90 of the Energy Retail Code. This assumes a customer is not in arrears of more than \$55 including GST at the end of the reporting period.

AS020 – Residential customers receiving tailored assistance (new indicator)

Current indicator		Justification for new indicator		Draft indicator
No current indicator - a new reporting indicator is required under the new framework.	•	This indicator provides information on the number of customers who receive tailored assistance once they are in arrears. This indicator identifies the extent that customers are receiving greater forms of assistance once they are facing payment difficulty. In particular, this indicator identifies the customers receiving assistance who are able to pay their ongoing usage and those that cannot. It should be noted that this indicator replaces the intent of the existing hardship and payment plan indicators H010, H020, D020, D021, and D022.	•	 Indicator: Residential customers receiving tailored assistance Definition: Reported separately for electricity and gas, the number of customers receiving tailored assistance A customer receiving tailored assistance as a minimum, who is in arrears of more than \$55 including GST at the end of the reporting period, provided in a subset of: (a) customers who can pay their on-going usage, as per clause 79(1)(a-d)(g) and clause 90 of the ERC that applies on 1 January 2019 (b) customer who cannot pay their on-going usage, as per clause 79(1)(c-g) and clause 90 of the ERC that applies on 1 January 2019.
Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
The Consumer Action Law Centre suggested that this indicator also capture the number of customers that received tailored assistance but have less than \$55 in arrears.	•	Our intention is to identify the extent of customers that are in need of and receiving tailored assistance. Because of this, the indicator is limited to capturing only those in arrears of more than \$55. Where a retailer provides these measures to a customer with less than \$55 of arrears, they should be captured under customers receiving standard assistance.	•	 Reference: AS020 Indicator: Residential customers receiving tailored assistance Definition: Reported separately for electricity and gas, the number of customers receiving tailored assistance. A customer receiving tailored assistance as a minimum, who is in arrears of more than \$55 including GST at the end of the reporting period, provided in a subset of: (a) customers who can pay their on-going usage, as per clause 79(1)(a)-(d)(g) and clause 90 of the Energy Retail Code (b) customers who cannot pay their on-going usage, as per clause 79(1)(c)-(g) and clause 90 of the Energy Retail Code

FINAL DECISION

D140 – Disconnection for non-payment of residential customers who did not receive assistance (new indicator)

Current indicator		Justification for new indicator		Draft indicator
No current indicator – a new reporting indicator is required under the new framework.	•	This indicator provides information on the number of customers who did not receive assistance before being disconnected for unreasonable customer action. This may be due to retailers not identifying customers anticipating or facing payment difficulty or the customer did not engage with the retailer. This indicator also provides information on the effectiveness of the framework in ensuring disconnections only occur as a last resort, or may indicate cases where the requirements of the framework have not been met.	•	 Indicator: Disconnections of residential customers who did not receive assistance Definition: Reported separately for electricity and gas, the number of customers whose supply was disconnected during each month within the reporting period who had, within the previous 6 months, not received assistance despite anticipating or facing payment difficulties. Note: To clarify, this includes customers who did not engage, despite anticipating or facing payment difficulties.
Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
AGL sought clarity on how retailers determine whether a disengaged customer that was disconnected had been anticipating or facing payment difficulties. Powershop was similarly provided feedback on the proposed definition. It was suggested that the reference to anticipating or facing payment difficulties should be removed.	•	In our draft decision, we included reference to customers anticipating or facing payment difficulties in this indicator because it relates to those who have arrears of over \$300 and have been disconnected. We do not intend for retailers to confirm that each of these customers are anticipating or facing payment difficulties when reporting under this indicator. For clarity, this indicator will not include reference to anticipating or facing payment difficulties.	•	Reference: D140 Indicator: Disconnections for non-payment of residential customers who did not receive assistance Definition: Reported separately for electricity and gas, the number of customers whose supply was disconnected for non-payment during each month within the reporting period who had not received assistance within the previous 6 months.

DRAFT DECISION

FINAL DECISION

AR050 – Residential customers not receiving tailored assistance, with aged arrears (new indicator)

Current indicator		Justification for new indicator		Draft indicator
No current indicator – a new reporting indicator is required under the new framework.	•	This indicator provides information on the number of customers having large arrears over time who are not receiving assistance. This indicator is intended to show the extent that retailers are not offering assistance to customers (or where customers have not engaged with their retailer). This may also indicate whether the assistance provided to customers has been effective, particularly when compared to other indicators related to arrears. It should be noted that this indicator is similar to an indicator required by the AER (S.3.19).	•	 Indicator: Residential customers not receiving assistance, with aged arrears Definition: The number of customers not receiving assistance that are in arrears as at the last calendar day of the reporting period: (a) Electricity i. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24 ii. over \$1000 but less than \$1500 where the arrears is more than 24 months old iii. over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24 iv. over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24 iv. over \$1500 but less than \$2500 where the arrears is more than 24 months old v. over \$2500 where the arrears is more than 12 months old but less than 24 vi. over \$2500 where the arrears is more than 12 months old (b) Gas i. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24 wi. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24 wi. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24 wi. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24 wi. over \$1500 but less than \$2500 where the arrears is more than 24 months old wi. over \$1500 but less than \$2500 where the arrears is more than 24 months old wi. over \$1500 but less than \$2500 where the arrears is more than 24 months old but less than 24 wi. over \$1500 but less than \$2500 where the arrears is more than 24 months old

Draft decision feedback (summary)

The Consumer Action Law Centre suggested that a higher classification of arrears greater than \$5,000 be included, as there is greater risk to a customer with this level of debt.

Powershop submitted that the term 'aged' should be removed from the indicator, due to potential inconsistent interpretations by retailers (depending on collection cycle).

AGL sought clarity on whether standard assistance should be included in this indicator. AGL also sought clarity on how the age of a customer's arrears should be calculated, with particular regard to the timing of accrual and whether the calculation should be based on invoiced amounts.

ESC response to draft decision feedback

We recognise the importance of understanding the number of customers commencing tailored assistance with arrears over \$5,000, particularly given these high levels of arrears.

For reporting clarity, the age of a customers' arrears should be counted from when they began to accrue more than \$55 and should be calculated on the basis of invoiced amounts. The total amount is to be treated as a whole and not segmented by financial or calendar year.

It should also be noted that we do not consider standard assistance applicable to this indicator, given the level of arrears described in this indicator.

The timeframes for aged arrears are described within the bands of the indicator itself. When calculating this, the age of the customer's arrears is counted from when they began to accrue more than \$55.

We have revised the definition of this indicator for reporting clarity.

Final indicator

Reference: AR050

Indicator: Residential customers not receiving tailored assistance, with aged arrears

Definition: Reported separately for electricity and gas, the number of customers not receiving tailored assistance that are in arrears as at the last calendar day of the reporting period:

a) over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24
b) over \$1000 but less than \$1500 where the arrears is more than 24 months old

c) over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24

d) over \$1500 but less than \$2500 where the arrears is more than 24 months old

e) over \$2500 but less than \$5000 where the arrears is more than 12 months old but less than 24

f) over \$2500 but less than \$5000 where the arrears is more than 24 months old

g) over \$5000 where the arrears is more than 12 months old but less than 24

h) over \$5000 where the arrears is more than 24 months old.

Note: The age of the customer's arrears is to be counted from when they began to accrue arrears of more than \$55 including GST on their account, and covers the full amount of a customer's arrears. Our definition assumes that customer arrears are based on the unpaid invoices of a customer.

AR040 – Residential customers receiving tailored assistance, with aged arrears (new indicator)

Current indicator	Justification for new indicator	Draft indicator
No current indicator – a new reporting indicator is required under the new framework.	This indicator provides information on the number of customers receiving assistance that have large arrears over time. This may indicate whether the assistance provided to customers has been effective in managing arrears, particularly when compared to other indicators related to arrears. It should be noted that this indicator is similar to an indicator required by the AER (S.3.19).	 Indicator: Residential customers receiving assistance, with aged arrears Definition: The number of customers receiving assistance that are in arrears as at the last calendar day of the reporting period: (a) Electricity i. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24 ii. over \$1000 but less than \$1500 where the arrears is more than 24 months old iii. over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24 iv. over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24 iv. over \$1500 but less than \$2500 where the arrears is more than 12 months old v. over \$1500 but less than \$2500 where the arrears is more than 24 months old v. over \$2500 where the arrears is more than 12 months old but less than 24 iv. over \$2500 where the arrears is more than 12 months old but less than 24 iv. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24 iv. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than \$2500 where the arrears is more than 12 months old but less than \$2500 where the arrears is more than 12 months old iii. over \$1500 but less than \$2500 where the arrears is more than 24 months old v. over \$2500 where the arrears is more than 12 months old but less than \$2500 where the arrears is more than 24 months old v. over \$1500 but less than \$2500 where the arrears is more than 24 months old v. over \$2500 where the arrears is more than 12 months old but less than \$2500 where the arrears is more than 24 months old v. over \$2500 where the arrears is more than 12 months old

Draft decision feedback (summary)

The Consumer Action Law Centre suggested that a higher classification of arrears greater than \$5,000 be included, as there is greater risk to a customer with this level of debt.

EnergyAustralia suggested that this indicator only capture customers receiving tailored assistance as per the minimum entitlement for any customer with arrears of more than \$55.

AGL sought clarity on whether standard assistance should be included in this indicator. AGL also sought clarity on how the age of a customer's arrears should be calculated, with particular regard to the timing of accrual and whether the calculation should be based on invoiced amounts.

ESC response to draft decision feedback

We recognise the importance of understanding the number of customers commencing tailored assistance with arrears over \$5,000, particularly given these high levels of arrears.

For reporting clarity, the age of the customers' arrears is to be counted from when they began to accrue more than \$55 on their account, and covers the full amount of a customer's arrears. Customer arrears are to be based on the unpaid invoices of a customer.

It should also be noted that we do not consider standard assistance applicable to this indicator, given the level of arrears described in this indicator.

Final indicator

Reference: AR040

Indicator: Residential customers receiving tailored assistance, with aged arrears

Definition: Reported separately for electricity and gas, the number of customers receiving tailored assistance that are in arrears as at the last calendar day of the reporting period:

a) over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24
b) over \$1000 but less than \$1500 where the arrears is more than 24 months old

c) over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24

more than 12 months old but less than 24
 d) over \$1500 but less than \$2500 where the arrears is more than 24 months old

e) over 2500 but less than 5000 where the arrears is more than 12 months old but less than 24

f) over \$2500 but less than \$5000 where the arrears is more than 24 months old

g) over \$5000 where the arrears is more than 12 months old but less than 24

h) over \$5000 where the arrears is more than 24 months old.

Note: The age of the customer's arrears is to be counted from when they began to accrue arrears of more than \$55 including GST on their account, and covers the full amount of a customer's arrears. Our definition assumes that customer arrears are based on the unpaid invoices of a customer.

D160 – Residential customers with arrears at disconnection (new indicator)

	Current indicator		Justification for new indicator		Draft indicator
DRAFT DECISION	No current indicator – a new reporting indicator is required under the new framework.	•	This indicator provides information on the level of customer arrears upon disconnection. This may indicate whether the assistance provided to customers has been effective at managing arrears and preventing disconnection, particularly when compared to other indicators related to arrears. It should be noted that this indicator is similar to an indicator required by the AER (S.3.38).	•	Indicator: Residential customers with arrears at disconnection Definition: Reported separately for electricity and gas, the number of customers in arrears as at the last calendar day of the reporting period: i. \$55 to \$500 ii. \$550 to \$1,000 iii. \$1,500 to \$2,500 iv. \$2,500 or more
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	AGL sought clarity on whether this indicator should calculate arrears at the end of the month rather than the arrears at the time of disconnection. The Consumer Action Law Centre suggested that a higher classification of arrears greater than \$5,000 be included, as there is greater risk to a customer with this level of debt.	•	We recognise the importance of understanding the number of customers commencing tailored assistance with arrears over \$5,000, particularly given these high levels of arrears. For reporting clarity, the amount of arrears is to be calculated when reporting at the end of the month, is based on the unpaid invoices of a customer, and covers the total arrears on a customer's account.	•	 Reference: D160 Indicator: Residential customers with arrears at disconnection Definition: Reported separately for electricity and gas, the number of customers in arrears as at the last calendar day of the reporting period who were disconnected for non-payment: a) \$55 to \$500 b) \$500 to \$1,000 c) \$1,500 to \$2,500 d) \$2500 to \$5000 e) \$5000 or more Note: Our definition assumes that customer arrears are based on the unpaid invoices of a customer, and covers the total arrears on a customer's account.

AS040 – Residential customers who have commenced tailored assistance, having previously received standard assistance (new indicator)

	Current indicator		Justification for new indicator		Draft indicator
DRAFT DECISION	No current indicator – a new reporting indicator is required under the new framework.	•	This indicator provides information on whether the standard assistance provided to customers was effective in helping customers to avoid getting into arrears.	•	Indicator: Residential customers who accessed both standard and tailored assistance Definition: Reported separately for electricity and gas, the number of customers who accessed standard assistance and proceeded to receive tailored assistance in the last 6 months.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	AGL sought clarity on whether the period for customers receiving standard assistance was limited to the last six months or for when customers had received standard assistance at any time in the past. EnergyAustralia suggested that this indicator only be limited to tailored assistance. EnergyAustralia also sought clarity on how dual fuel customers should be reported on. Momentum Energy sought to clarify whether customers should be counted for the duration they are receiving tailored assistance and, if so, should this be for six months following standard assistance only or for the entire duration of receiving tailored assistance.	•	The purpose of this indicator is to identify how many customers progress to tailored assistance within six months of receiving standard assistance. For clarity, retailers should capture the number of customers who commenced tailored assistance in that reported month, who had received standard assistance sometime in the previous six months. Standard assistance is available to all customers to prevent them from getting into arrears by helping them manage their payments in the best way possible. We consider any customer who takes up payment options under standard assistance to be relevant to this purpose, even where this has been taken up as a matter of convenience. For consistency in reporting across the industry, dual fuel customers should be counted separately for electricity and gas.	•	 Reference: AS040 Indicator: Residential customers who have commenced tailored assistance, having previously received standard assistance Definition: Reported separately for electricity and gas, the number of customers who commenced tailored assistance in the reporting period, who had received standard assistance in the last 6 months. Note: This indicator should be limited only to the current round of tailored assistance is the period of time from when the customer started receiving measures under tailored assistance until completion or suspension of assistance.

AS050 – Residential customers who were offered practical assistance measures (new indicator)

Current indicator No current indicator – a new reporting indicator is required under the new framework.	•	Justification for new indicator This indicator provides information on the extent that practical assistance was offered and taken up by customers. This may indicate the effectiveness of this form of assistance from retailers to customers in lowering energy costs.	•	Draft indicator Indicator: Residential customers who implemented practical assistance measures Definition: Reported separately for electricity and gas, the number of residential customers that were offered and implemented practical assistance measures to reduce their energy use.
Draft decision feedback (summary) The Consumer Action Law Centre suggested expanding this indicator to include the actual types of assistance being reported, the level of impact from implementation, the amount spent by retailers on implementing these practical measures, and the total amount of offers compared to the number accepted and implemented by customers. AGL, EnergyAustralia, Momentum Energy, Sumo, and Simply Energy sought clarity on how the implementation of assistance would be defined, i.e. whether this would be when a customer accepts the practical assistance offered or if this would only be considered implementation when the customer acts upon the recommended changes. The retailers also suggested they have limited ability to monitor a customer's implementation of assistance beyond evaluating customer energy usage without causing unnecessary intrusion. A customer's energy usage can also change due to other factors.	•	ESC response to draft decision feedback As per section 2 of this report, we recognise that practical assistance is an important part of the new framework to help customers reduce their energy usage or costs. However, we recognise the reporting limitations of collecting a number of information under this guideline. We also recognise the reporting difficulties in accurately determining whether most practical assistance measures have been implemented by a customer. This indicator has been changed to report only on the number of offers of practical assistance to customers, rather than the number of times practical assistance has been implemented by customers. However, the new framework intends to encourage new and innovative approaches to practical assistance. Retailers will have the option to report additional information (qualitative or quantitative) on the types of practical assistance they have offered to customers and the outcomes resulting from these types of assistance.	•	Final indicator Reference: AS050 Indicator: Residential customers who were offered practical assistance measures Definition: Reported separately for electricity and gas, the number of residential customers that were offered practical assistance measures to reduce their energy use in the reporting period. Note: retailers may also choose to provide further information on the type and extent of practical assistance measures offered to their customers.

Appendix B – Changes to performance indicators

DRAFT DECISION

FINAL DECISION

D150 – Residential customers where their arrears were sold after disconnection (new indicator)

	Current indicator		Justification for new indicator		Draft indicator
	No current indicator – a new reporting indicator is required under the new framework.	•	This indicator provides information on customer arrears after disconnection. We do not currently collect any information relating to the customer experience after being disconnected and it may be useful in understanding the extent to which customers require assistance beyond the reach of the framework.	•	Indicator: Residential customers where their arrears were sold after disconnectionDefinition: Reported separately for electricity and gas, the number of residential customer arrears that were sold, 10 days after disconnection.
I	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
	Simply Energy submitted that this new indicator is unclear and that the current data around reconnections		We intend to capture the number of customers whose arrears are sold following disconnection. The 10 day		Reference: D150
	within 7 days is more useful for understanding what happens after disconnection. It was also noted that		period is in reference to wider governance over the handling of customer arrears and not a request for data		Indicator: Residential customers where their arrears were sold after disconnection
L L L	consumer accounts that are eligible for debt sale would likely not be affected by protection under the Energy Retail Code, but instead by various other regulations on	•	on customer arrears sold at a specific point in time only. For clarity, we have revised the indicator to no longer	•	Definition: Reported separately for electricity and gas, the number of residential customer arrears that were
Ž	debt collection.		reference the 10 day period.		sold after disconnection.
					Note: in accordance with the Energy Retail Code, the sale of debt can only occur no sooner than 10 days after disconnection.

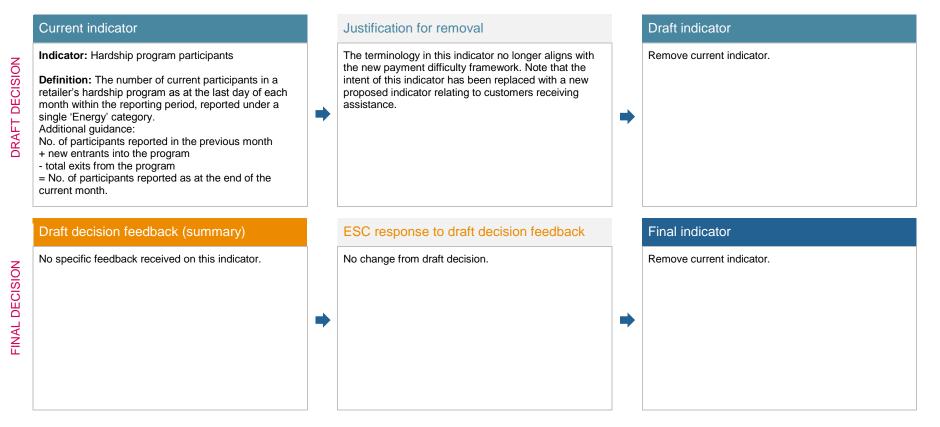
DRAFT DECISION

FINAL DECISION

Performance indicators to be removed

In assessing which performance indicators were no longer relevant, we considered the objectives of the framework, the outcomes that could be determined and achievability.

H010 – Hardship program participants (indicator removed)



D120 – Reconnections on more than one occasion (indicator removed)

	Current indicator		Justification for removal		Draft indicator
DECISION	Indicator: Reconnections on more than one occasion Definition: The number of residential customers reconnected during the reporting period within 7 days of being disconnected for non-payment, who had been		This indicator provides limited insight into the operation of the payment difficulty framework.		Remove current indicator.
DRAFT D	being disconnected for non-payment, who had been disconnected twice in the same reporting period, this is counted as two reconnections.	•		•	
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	•	Remove current indicator.

H130 – Reconnections of all previous hardship program customers within 12 months (indicator removed)

	Current indicator		Justification for removal		Draft indicator
NOI	Indicator: Reconnections of all previous hardship program customers within 12 months		This indicator offers limited ability to assess the effectiveness of the payment difficulty framework.		Remove current indicator.
DRAFT DECISION	Definition: The number of customers whose supply was reconnected in the same name and at the same address within 7 days following disconnection for non- payment during each month within the reporting period who had, within the previous 12 months, been on the retailer's hardship program	•		•	
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	•	Remove current indicator.

H160 – Hardship program participants (indicator removal)

	Current indicator		Justification for removal		Draft indicator
DRAFT DECISION	Indicator: Average cost contributed to an energy field audit where a customer contribution was required Definition: Average dollar amount contributed by customers to cover the cost of an energy field audit during each month within the reporting period. Note: The average is based only on customers from whom a partial contribution was required, thereby excluding those audits provided at no cost to the customer.	•	The payment difficulty framework requires retailer to provide advice and practical assistance broader than just energy field audits. This indicator offers limited ability to assess the effectiveness of the framework.	•	Remove current indicator.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	•	Remove current indicator.

D023 – Duration of payment plans (indicator removed)

	Current indicator		Justification for removal		Draft indicator
DRAFT DECISION	Indicator: Duration of instalment payment plans Definition: Reported separately for electricity, gas and energy under each customer category below, the number of customers with an instalment payment plan in place as at the last day of the reporting period with a duration of: (a) less than 6 months (b) 6 to 12 months (c) 12 to 24 months (d) more than 24 months. This should be separated for customers inside and outside the retailer's hardship program. Duration can be based on the agreed duration at the time the plan is agreed. There may be instances where a customer on an instalment plan elects to continue to make regular payments after any outstanding sums have been paid. In such instances, the customer has moved to a bill smoothing arrangement and from that time should not be considered to be on an instalment plans which are for a combined electricity and gas debt, which do not need to be reported separately.	•	The terminology in this indicator no longer aligns with the new payment difficulty framework. This indicator also offers limited ability to assess the effectiveness of the new payment difficulty framework, which includes forms of assistance beyond payment plans.	•	Remove current indicator.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	→	Remove current indicator.

D070 – All reconnections (indicator removed)

	Current indicator		Justification for removal		Draft indicator
DRAFT DECISION	Indicator: All reconnections Definition: Reported separately for electricity and gas, under each customer category below, the total number of customers reconnected in the same name and at the same address (regardless of the date of disconnection) during the reporting period. (a) Residential customers (b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.	•	This indicator offers limited ability to assess the effectiveness of the payment difficulty framework.	•	Remove current indicator.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	•	Remove current indicator.

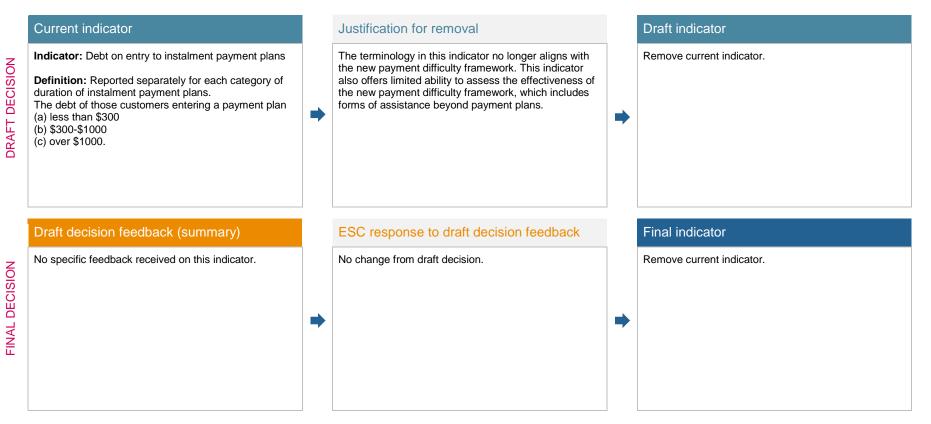
Appendix B – Changes to performance indicators

D110 – Reconnections previously on an instalment payment plan (indicator removed)

	Current indicator		Justification for removal		Draft indicator
NO	Indicator: Reconnections previously on an instalment payment plan		This indicator offers a limited ability to assess the effectiveness of the payment difficulty framework.		Remove current indicator.
DRAFT DECISION	Definition: The number of residential customers reconnected during the reporting period within 7 days of being disconnected for non-payment, who had been on an instalment payment plan in the previous 12 months. Note: If a customer is reconnected twice in the same reporting period, this is counted as two reconnections.	•		•	
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	•	Remove current indicator.

Appendix B – Changes to performance indicators

D024 – Debt on entry to instalment payment plans (indicator removed)



H140 – Energy field audits provided at no cost (indicator removed)

	Current indicator		Justification for removal		Draft indicator
DRAFT DECISION	Indicator: Energy field audits provided at no cost Definition: The number of energy field audits provided at no cost to customers during each month within the reporting period. By definition, this excludes energy audits conducted by telephone.	•	The new framework requires retailer to provide advice and practical assistance broader than just energy field audits. This indicator offers limited ability to assess the effectiveness of the payment difficulty framework.	•	Remove current indicator.
	Draft decision feedback (summary)		ESC response to draft decision feedback	1	Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	•	Remove current indicator.

H150 – Energy field audits provided at partial costs (indicator removed)



H170 – Appliances provided under hardship program (indicator removed)

	Current indicator		Justification for removal		Draft indicator
DRAFT DECISION	Indicator: Appliances provided under hardship program Definition: The number of appliances provided to participants of a retailer's hardship program, either by the retailer or by a third party nominated by the retailer, during each month within the reporting period. This indicator is intended to reflect the Energy Legislation (Hardship, Metering and Other Matters) Act 2006 (page 4) which refers to "flexible options for the purchase or supply of replacement electrical equipment designed for domestic use".	•	The payment difficulty framework requires retailers to provide advice and practical assistance broader than the provision of appliances. This indicator offers limited ability to assess the effectiveness of the framework.	•	Remove current indicator.
FINAL DECISION	Draft decision feedback (summary) No specific feedback received on this indicator.	•	ESC response to draft decision feedback No change from draft decision.	•	Final indicator Remove current indicator.

H020 – New entrants into retailer's hardship program (indicator removed)

	Current indicator		Justification for removal		Draft indicator
DRAFT DECISION	Indicator: New entrants into retailer's hardship program Definition: The number of customers accepted into a retailer's hardship program during each month within the reporting period.	•	The terminology in this indicator no longer aligns with the new payment difficulty framework. Note that the intent of this indicator has been replaced with a new proposed indicator relating to customers receiving assistance.	•	Remove current indicator.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	•	Remove current indicator.

H040 – Customers denied access to a retailer's hardship program (indicator removed)

	Current indicator		Justification for removal		Draft indicator
NOI	Indicator: Customers denied access to a retailer's hardship program		The terminology in this indicator no longer aligns with the new payment difficulty framework. Note that the		Remove current indicator.
DRAFT DECISION	Definition: The number of customers denied access to a retailer's hardship program during each month within the reporting period. This includes those customers referred to the hardship program by any means but who are not accepted into the program. It does not include customers who decline to participate in the program.	•	intent of this indicator has been replaced with a new proposed indicator relating to customers receiving assistance.	•	
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	•	Remove current indicator.

D080 – Disconnected previously on an instalment payment plan (indicator removed)

	Current indicator		Justification for removal		Draft indicator
NOI	Indicator: Disconnected previously on an instalment payment plan		This indicator offers limited ability to assess the effectiveness of the payment difficulty framework.		Remove current indicator.
DRAFT DECISION	Definition: The number of residential customers disconnected for non-payment during the reporting period that were on an instalment payment plan in the previous 12 months. Note: If a customer is disconnected twice in the same reporting period, this is counted as two disconnections.	•		•	
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	•	Remove current indicator.

H120 – Disconnections of all previous hardship program customers within 12 months (indicator removed)

	Current indicator		Justification for removal		Draft indicator
DRAFT DECISION	 Indicator: Disconnections of all previous hardship program customers within 12 months Definition: The number of customers whose supply was disconnected for non-payment during each month within the reporting period who had, within the previous 12 months, been on the retailer's hardship program. 	•	The terminology in this indicator no longer aligns with the new payment difficulty framework. Note that the intent of this indicator has been replaced with a new proposed indicator relating to customers disconnected for unreasonable customer action.	•	Remove current indicator.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	•	Remove current indicator.

Appendix B – Changes to performance indicators

D020 – Instalment payment plans (indicator removed)

DRAFT DECISION

FINAL DECISION

Current indicator		Justification for removal		Draft indicator
 Indicator: Instalment payment plans Definition: The number of customers (disaggregated according to whether in a retailer's hardship program or not) with an instalment payment plan in place on the last calendar day of each month within the reporting period. Further guidance: An instalment payment plan is an arrangement between a retailer and a customer who is experiencing payment difficulties, for the customer to pay arrears and continued usage on their account according to an agreed payment schedule and their capacity to pay. Customers using a payment plan as a matter of convenience or for flexible budgeting purposes are not to be counted for the purposes of reporting this indicator. Must involve at least three instalments. The key point is that the arrangements enable the customer to continue to receive supply and avoid disconnection. There may be instances where a customer on an instalment plan elects to continue to make regular payments after any outstanding sums have been paid. In such instances, as indicated by the definition, the customer has moved to a bill smoothing arrangement and from that time should not be considered to be on an instalment payment plan. 	•	The terminology in this indicator no longer aligns with the new payment difficulty framework. This indicator also offers limited ability to assess the effectiveness of the new payment difficulty framework, which includes forms of assistance beyond payment plans.	•	Remove current indicator.
Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
No specific feedback received on this indicator.		No change from draft decision.		Remove current indicator.
	•		•	

D021 – Instalment payment plans not covering use (indicator removed)

	Current indicator		Justification for removal		Draft indicator
NO	Indicator: Instalment payment plans not covering use		The terminology in this indicator no longer aligns with the new payment difficulty framework. This indicator		Remove current indicator.
DRAFT DECISION	Definition: Reported separately for electricity, gas and energy for residential customers only. Residential customers with payment plans where the terms of the plan do not cover ongoing use. That is, even if all instalments are made on time, the customer's debt would rise over time. Ongoing use can be calculated at the time the plan is agreed, based on the customer's consumption history. 'Energy' instalment plans include any plans which are for a combined electricity and gas debt, which do not need to be reported separately. This should be separated for customers inside and outside the retailer's hardship program.	•	also offers limited ability to assess the effectiveness of the new payment difficulty framework, which includes forms of assistance beyond payment plans.	•	
I	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	•	Remove current indicator.

Appendix C – Changes to compliance reporting obligations

D022 – Instalment plans covering use (indicator removed)

	Current indicator		Justification for removal		Draft indicator
DRAFT DECISION	 Indicator: Instalment plans covering use Definition: Reported separately for electricity, gas and energy for residential customers only. Residential customers with payment plans where the terms of the plan cover ongoing use. That is, if all instalments are made on time, the customer's debt would decrease over time. Ongoing use can be calculated at the time the plan is agreed, based on the customer's consumption history. This should be split by (a) Customers not meeting the terms of the plan (b) Customers not meeting the terms of the plan (c) Debt remains steady over time Debt reduces over time 'Energy' instalment plans includes any plans which are for a combined electricity and gas debt, which do not need to be reported separately. This should be separated for customers inside and outside the retailer's hardship program. 	•	The terminology in this indicator no longer aligns with the new payment difficulty framework. This indicator also offers limited ability to assess the effectiveness of the new payment difficulty framework, which includes forms of assistance beyond payment plans.	•	Remove current indicator.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final indicator
FINAL DECISION	No specific feedback received on this indicator.	•	No change from draft decision.	•	Remove current indicator.

Appendix C – Changes to compliance reporting obligations

Modifications to existing compliance reporting obligations

RB0141 – Clause 76A – Supply capacity control product

	Current obligation		Justification for changes		Draft obligation
DRAFT DECISION	Obligation: Clause 76A - Supply capacity control product Description Not to offer a supply capacity control product for any credit management purpose.	•	The clause dealing with supply capacity control products has moved to clause 93 and is limited to residential customers rather than all customers. This obligation has not materially changed and is proposed to remain as a Type 1 obligation. This obligation should remain as a Type 1 reporting obligation as it involves the potential interruption of supply to a residential customer which could have critical consequences for that customer. Further, allowing retailers to use supply capacity control products for credit management purposes would have the effect of undermining the disconnection safeguards established by the payment difficulty framework.	•	 Obligation: Substitute Clause 76A with Clause 93. Description: Insert 'to a residential customer' before the words 'for any credit control purpose'. Classification: Type 1
I	Draft decision feedback (summary)		ESC response to draft decision feedback		Final obligation
Z	No specific feedback received on this obligation.		No change from draft decision.		Reference: RB0141
DECISION					Obligation: Substitute Clause 76A with Clause 93.
		•		•	Description: Insert 'to a residential customer' before the words 'for any credit control purpose'.
FINAL					Classification: Type 1

RB1210 – Clause **71B(2)** – Minimum requirements for customer hardship policy

	Current obligation		Justification for changes		Draft obligation
	 Obligation: Clause 71B(2) – Minimum requirements for customer hardship policy Description: Details the minimum requirements for a customer's hardship policy of a retailer 	•	The clause relating to the content of hardship policies is now in clause 85, 'Contents of financial hardship polices'. Additionally, the new payment difficulty framework uses the term 'financial hardship policy' rather than 'customer hardship policy'. As the obligation has not materially changed we propose that it should remain as a Type 2 obligation. Failure to provide this information could result in a residential customer being unaware of assistance which may allow them to maintain supply.	•	 Obligation: Substitute 'Clause 71B(2) – Minimum requirements for customer hardship policy' with 'Clause 85 – Content of financial hardship policies' Description: Substitute 'Details the minimum requirements for a customer's hardship policy of a retailer ' with 'Details the minimum requirements for a financial hardship policy of a retailer '. Classification: Type 2
1	Draft decision feedback (summary)		ESC response to draft decision feedback		Final obligation
	Powershop suggested that this obligation not be a reportable breach, given hardship policies must already be approved by the commission. If retained, Powershop proposed that it should remain a type 2 obligation.	•	Given the introduction of the new framework, the commission considers that the content of financial hardship policies is one of the means by which consumers may become aware of their entitlements. As such, this remains a type 2 obligation. It should be noted that hardship policies are currently being reviewed by the commission, prior to the commencement of the framework on 1 Jan 2019.	•	 Reference: RB1210 Obligation: Substitute 'Clause 71B(2) – Minimum requirements for customer hardship policy' with 'Clause 85 – Content of financial hardship policies' Description: Substitute 'Details the minimum requirements for a customer's hardship policy of a retailer ' with 'Details the minimum requirements for a financial hardship policy of a retailer '. Classification: Type 2

DRAFT DECISION

FINAL DECISION

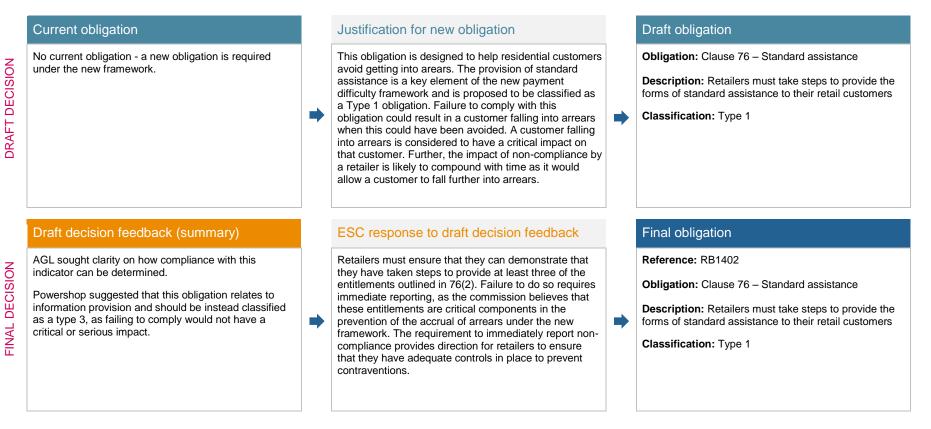
RB1220 – Clauses **71(2)** and **(3)** - Details of the financial hardship policy

	Current obligation		Justification for changes		Draft obligation
DRAFT DECISION	Obligation: Clauses 71(2) and (3) - Details of the financial hardship policy Description: The retailer must publish details of the hardship policy in a form easily accessible to customers and provide details to customers and financial counsellors on request.	•	Clause 86 of the revised Energy Retail Code replaces provisions in clause 71 of version 11 of the Energy Retail Code. We therefore propose it remains as a Type 3 obligation. We consider a breach of this obligation as not critical or serious however it's important that customers are aware of their retailer's hardship policy. The failure to publish the hardship policy on its website is unlikely to have a critical impact particularly given clause 80(2), as retailers have an obligation to contact customers who fall into arrears and do not pay their bill by a pay-by date and provide information about their entitlements.	•	 Obligation: Substitute 'Clauses 71(2) and (3) - Details of the financial hardship policy' with 'Clause 86 – Provision of information to customers'. Description: Substitute 'The retailer must publish details of the hardship policy in a form easily accessible to customers and provide details to customers and financial counsellors on request.' with 'The retailer must publish its financial hardship policy on its website in a form easily accessible to customers and provide details to customers and provide a copy to any residential customers on request. The retailer must also ensure that information is readily available to residential customers about the retailers financial hardship policy, assistance available under Division 1 and 2 of Part 3, approaches to lowering energy costs, and government and non-government assistance.' Classification: Type 3
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	Draft decision feedback (summary)		ESC response to draft decision feedback		Final obligation
FINAL DECISION	No specific feedback received on this obligation.	•	No change from draft decision.	•	 Reference: RB1220 Obligation: Substitute 'Clauses 71(2) and (3) - Details of the financial hardship policy' with 'Clause 86 – Provision of information to customers'. Description: Substitute 'The retailer must publish details of the hardship policy in a form easily accessible to customers and provide details to customers and financial counsellors on request.' with 'The retailer must publish its financial hardship policy on its website in a form easily accessible to customers on request. The retailer must publish its financial customers on request. The retailer must also ensure that information is readily available to residential customers about the retailers financial hardship policy, assistance available under Division 1 and 2 of Part 3, approaches to lowering energy costs, and government and non-government assistance.' Classification: Type 3

Appendix C – Changes to compliance reporting obligations

Additions to compliance reporting obligations

RB1402– Clause 76 – Standard assistance (new obligation)



RB1404 – Clause 80 – Information about assistance available (new obligation)

	Current obligation		Justification for new obligation		Draft obligation
DRAFT DECISION	No current obligation - a new obligation is required under the new framework.	•	The provision of information to customers who have not paid their bill is vital to ensure that the customer is made aware of their entitlements to assistance under the payment difficulty framework. Information allows a customer to make decisions in their own interest. Failure to provide this information in a timely manner deprives the customer of the opportunity to act in a manner that maximizes their financial and other interests. This is a breach with critical impacts. Accordingly, we propose it should be classified as a Type 1 obligation.	•	Obligation: Clause 80 – Information about assistance available Description: Retailers must provide customers who have not paid a bill on time and who contact the retailer, with information regarding the tailored assistance they are entitled to. Retailers must also contact customers who do not pay a bill on time and who have more than \$55 in arrears and provide them information about the tailored assistance available to them Classification: Type 1
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final obligation
FINAL DECISION	Powershop suggested that this obligation relates to information provision and should be instead classified as a type 3, as failing to comply would not have a critical or serious impact.	•	The commission maintains that information provision is of upmost importance for the implementation of the new payment difficulty framework. In particular, customers must be made aware of their entitlements under the new framework in order to engage and can consider the most appropriate option/choice for payment of their energy use.	•	Reference: RB1404 Obligation: Clause 80 – Information about assistance available Description: Retailers must provide customers who have not paid a bill on time and who contact the retailer, with information regarding the tailored assistance they are entitled to. Retailers must also contact customers who do not pay a bill on time and who have more than \$55 in arrears and provide them information about the tailored assistance available to them Classification: Type 1

Appendix C – Changes to compliance reporting obligations

RB1405 – Clause 81 – Payment arrangements (new obligation)

	Current obligation		Justification for new obligation		Draft obligation
DRAFT DECISION	No current obligation - a new obligation is required under the new framework.	•	Ensuring appropriate payment arrangements is a key part of the payment difficulty framework and a breach of this obligation would have a critical impact on a customer who may be consequently unable to pay for their energy supply. Accordingly, this provision is proposed as a Type 1 obligation. Further, this clause is similar in nature to the previous clause 72 that was a Type 1 obligation.	•	 Obligation: Clause 81 – Payment arrangements Description: Outlines the types of payment arrangements that a retailer must accept and may accept if a residential customer whose payments are in arrears. Classification: Type 1
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final obligation
Z	Powershop agreed that this obligation relates to retailers encouraging customers to participate and take		No change from draft decision.]	Reference: RB1405
DECISION	control of their arrears, and should be a type 1 obligation.				Obligation: Clause 81 – Payment arrangements
FINAL DEC		•		•	Description: Outlines the types of payment arrangements that a retailer must accept and may accept if a residential customer whose payments are in arrears.
					Classification: Type 1

Appendix C – Changes to compliance reporting obligations

RB1406 – Clause 83 – Continued provision of assistance (new obligation)

	Current obligation		Justification for new obligation		Draft obligation
DRAFT DECISION	No current obligation - a new obligation is required under the new framework.	•	Ensuring that retailers continue to provide tailored assistance is a critical component of the payment difficulty framework. The fact that the retailer must continue to provide assistance unless they can demonstrate the customer has refused or failed to take reasonable action towards paying for their energy use or the customer can otherwise afford to pay ensures that disconnection of energy supply is a measure of last resort. Failure to comply with this obligation would have a critical impact on a customer and would undermine the purpose of Part 3 of the Energy Retail Code. Accordingly this obligation is proposed to be a Type 1 obligation.	•	 Obligation: Clause 83 – Continued provision of assistance Description: Provides that a retailer must continue to provide tailored assistance to a residential customer unless the customer has refused to take reasonable action towards paying for their on-going energy use or arrears or the customer is no longer facing payment difficulties Classification: Type 1
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final obligation
FINAL DECISION	AGL sought clarity on the threshold for a customer's failure or refusal to take reasonable action, and how compliance with this obligation would be measured. Powershop suggested that this should not be a reportable obligation as a breach of clause 83(b) could lead to duplication with clause 79(1)(a).	•	The commission has provided guidance on whether customers have taken reasonable action or not. Retailers should assess their own actions for compliance, considering this obligation and the guidance provided. Where issues arise, the commission will consider these matters on a case by case basis. This clause must also be reported separately as the obligations are treated as such in the Energy Retail Code. This clause is one of the final, critical customer entitlements to prevent disconnection under the new framework. Retailers must ensure that they can demonstrate that they have provided continued customer entitlements in line with clause 83. Failure to do so requires immediate reporting, as the commission believes that these entitlements are critical components of the new framework. The requirement to immediately report ensures that retailers will have adequate controls in place to prevent breaches and enable prompt remediation	•	 Reference: RB1406 Obligation: Clause 83 – Continued provision of assistance Description: Provides that a retailer must continue to provide tailored assistance to a residential customer unless the customer has refused to take reasonable action towards paying for their on-going energy use or arrears or the customer is no longer facing payment difficulties Classification: Type 1

Appendix C – Changes to compliance reporting obligations

RB1407 – Clause **91** – Restriction on conditions (new obligation)

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RB1408 – Clause 92 – Debt (new obligation)

	Current obligation		Justification for new obligation		Draft obligation
DRAFT DECISION	No current obligation - a new obligation is required under the new framework.	•	This obligation prevents sale of customer debt until after 10 business days following disconnection of a customer from their energy supply. Debt recovery can have extreme and adverse impacts on customers. Failure to comply with this obligation would therefore have critical impacts on customers. Clause 92 is similar in nature to the previous clauses 33 and 72A of version 11 of the Energy Retail Code that dealt with payment difficulties and debt recovery and were Type 1 obligations. Accordingly, this provision remains a critical component of the payment difficulty framework and is proposed to be a Type 1 obligation.	•	Obligation: Clause 92 – Debt Description: Outlines the restrictions on retailers to recover or sell a residential customer's debt. Classification: Type 1
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final obligation
FINAL DECISION	Powershop suggested that this obligation be split out to ensure that classification type was appropriate to the sub clauses. Specifically, Powershop agreed that clause 92(2)(a) should be a type 1, but stated that clauses 92(1), 92 (2)(b), 92(3) and 92(4) should not be reportable obligations.	•	Failure to comply requires immediate reporting, as the commission believes that non-compliance would have a crucial impact on customer welfare. The requirement to immediately report ensures that retailers will have adequate controls in place to prevent breaches and enable prompt remediation.	•	Reference: RB1408 Obligation: Clause 92 – Debt Description: Outlines the restrictions on retailers to recover or sell a residential customer's debt. Classification: Type 1

Appendix C – Changes to compliance reporting obligations

RB1411– Clause 89 – Retailer obligations (new obligation)

Current obligation		Justification for new obligation		Draft obligation
No current obligation - a new obligation is required under the new framework.	•	Non-compliance with clause 89 could result in a serious impact on customers because it imposes obligations to provide timely and unambiguous information about assistance offered by the retailer and government and community service providers and requires compliance with any relevant guideline published by the commission relating to customers in payment difficulty, including those who may be experiencing family violence. Failure to comply with this obligation may result in a customer not receiving their entitlements under the new framework. This obligation has therefore been proposed as a Type 2 obligation.	•	 Obligation: Clause 89 – Retailer obligations Description: Provides various obligations that retailers must comply with when dealing with customers or government including acting fairly, communicating clearly and unambiguously, providing assistance in a timely manner and comply with any guideline published by the Commission. Classification: Type 2
Draft decision feedback (summary) AGL sought clarity on the wording of this obligation. Powershop submitted that should not be a reportable beach as it is not specific in its requirements.	•	ESC response to draft decision feedback The commission has issued a guidance note to assist retailers in understanding their obligations. Retailers should assess their own actions for compliance considering this obligation and the guidance provided. Where issues arise, the commission will consider these matters on a case by case basis The proposed frequency of this obligation being a type 2 breach allows for retailers to ensure that they can conduct a comprehensive review of interactions with customers.	•	Final obligationReference: RB1411Obligation: Clause 89 – Retailer obligationsDescription: Provides various obligations that retailers must comply with when dealing with customers or government including acting fairly, communicating clearly and unambiguously, providing assistance in a timely manner and comply with any guideline published by the Commission.Classification: Type 2

DRAFT DECISION

FINAL DECISION

RB1409 – Clause 82 – Non-payment of amounts towards on-going energy use (new obligation)

Current obligation		Justification for new obligation		Draft obligation
No current obligation - a new obligation is required under the new framework.	•	Ensuring that retailers contact and work with customers who are facing payment difficulty is a critical aspect of the new framework. Failing to contact customers whose payments of arrears are on hold and do not make payments for their ongoing use may have a serious impact on a customer. However, a breach of this obligation is unlikely to result in a 'critical' impact on a customer on the basis that if a retailer fails to contact the customer the retailer must continue to provide tailored assistance (pursuant to section 83) and is prohibited from disconnecting the customer (pursuant to section 111A). Accordingly, this obligation is proposed as a Type 2 obligation.	•	 Obligation: Clause 82 – Non-payment of amounts towards on-going energy use Description: Provides that a retailer must contact and work with a residential customer whose payment of arrears is on hold if the customer fails to make payments towards their ongoing energy use or if they fail to implement practical assistance. Classification: Type 2
Draft decision feedback (summary) Powershop disagreed with the proposed addition of this type 2 obligation. It was submitted that because arrangements between retailers and customers will vary, imposing administrative compliance may limit the customer experience.	•	ESC response to draft decision feedback The proposed frequency of this obligation being a type 2 breach (and not immediate reporting as a type 1 breach) allows for retailers to ensure that they can conduct a comprehensive review of interactions with customers.	•	Final obligation Reference: RB1409 Obligation: Clause 82 – Non-payment of amounts towards on-going energy use Description: Provides that a retailer must contact and work with a residential customer whose payment of arrears is on hold if the customer fails to make payments towards their ongoing energy use or if they fail to implement practical assistance. Classification: Type 2

Appendix C – Changes to compliance reporting obligations

DRAFT DECISION

FINAL DECISION

RB1409 – Clause 87 – Written communications (new obligation)

	Current obligation		Justification for new obligation		Draft obligation
DRAFT DECISION	No current obligation - a new obligation is required under the new framework.	•	If a customer is not able to understand correspondence from their retailer they may not be aware of the assistance measures they are entitled to under the payment difficulty framework. Accordingly, this obligation is proposed as a Type 2 obligation as failure to comply with clause 87 may result in serious impact to a customer.	•	 Obligation: Clause 87 – Written communications Description: Provides that communications to customers must be expressed in plain language, legible, presented clearly and appropriately and provided free of charge. In addition, this provision sets out the requirement to send written material by post unless the customer has given explicit informed consent to another method. Classification: Type 2
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final obligation
NO	AGL commented that this obligation contains subjective wording and is therefore difficult to ensure compliance.		The proposed frequency of this obligation being a type 2 breach (and not immediate reporting as a type 1		Reference: RB1409
DECISION	Powershop noted that imposing this obligation may limit		breach) allows for retailers to ensure that they can conduct a comprehensive review of interactions with		Obligation: Clause 87 – Written communications
FINAL DEC	customer outcomes.	•	customers.	•	Description: Provides that communications to customers must be expressed in plain language, legible, presented clearly and appropriately and provided free of charge. In addition, this provision sets out the requirement to send written material by post unless the customer has given explicit informed consent to another method.
					Classification: Type 2

RB1412 – Clause 94 – Payment by Centrepay (new obligation)

	Current obligation		Justification for new obligation		Draft obligation
DRAFT DECISION	No current obligation - a new obligation is required under the new framework.	•	Customers who need to be able to pay their energy bills by Centrepay are likely to be especially vulnerable customers with limited financial means. Accordingly, an inability to pay for energy using Centrepay is likely to have a serious impact on these customers. Accordingly, this obligation is proposed as a Type 2 obligation.	•	 Obligation: Clause 94 – Payment by Centrepay Description: Requires retailers to allow residential customers on standard retail contracts to pay with Centrepay. This clause also requires retailers to either transfer, without cost or penalty, a customer who is on a market retail contract to an alternative market retail contract which allows for payment by Centrepay or allow the market retail contract residential customer to pay by Centrepay. Classification: Type 2
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final obligation
NO	Powershop submitted that this obligation should not be reportable as it would not have a critical or serious		The proposed frequency of this obligation being a type 2 breach (and not immediate reporting as a type 1		Reference: RB1412
DECISION	impact and customers would be better off switching to a retailer that can better cater to their needs.		breach) allows for retailers to ensure that they can conduct a comprehensive review of interactions regarding payment arrangements with customers.		Obligation: Clause 94 – Payment by Centrepay Description: Requires retailers to allow residential
FINAL DE		•		•	customers on standard retail contracts to pay with Centrepay. This clause also requires retailers to either transfer, without cost or penalty, a customer who is on a market retail contract to an alternative market retail contract which allows for payment by Centrepay or allow the market retail contract residential customer to pay by Centrepay.
					Classification: Type 2

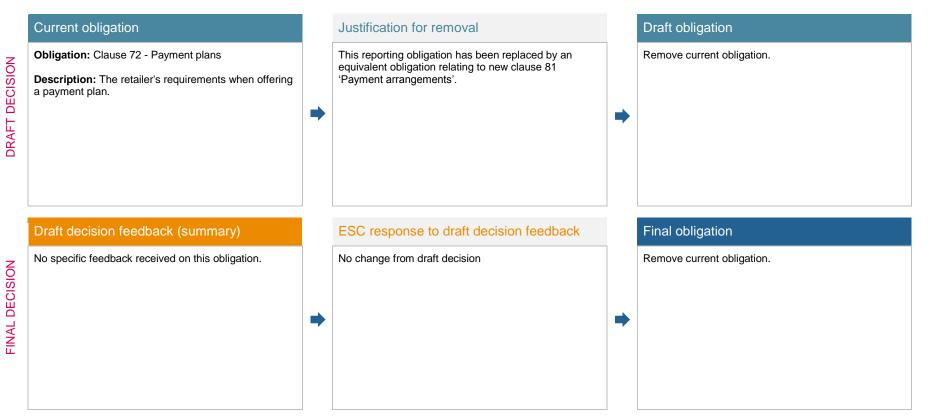
Appendix C – Changes to compliance reporting obligations

Compliance reporting obligations to be removed

RB0130 – Clause 33 & 72A - Payment difficulties and debt recovery (removal of indicator)

	Current obligation		Justification for removal		Draft obligation
NOIS	Obligation: Clause 33 & 72A - Payment difficulties and debt recovery		This reporting obligation has been replaced by an equivalent obligation relating to new clause 92 'Debt'.		Remove current obligation.
DRAFT DECISION	Description: Outlines the process of assessment and assistance to domestic customers experiencing financial difficulties and recovery of debts from these customers.	•		•	
ч С	Invoking legal proceedings in relation to debt collection.				
				1	
	Draft decision foodback (summary)		ESC response to draft decision feedback		Final obligation
	Draft decision feedback (summary)		ESC response to draft decision feedback	1	Final obligation
N	Draft decision feedback (summary) No specific feedback received on this obligation.		ESC response to draft decision feedback No change from draft decision]	Final obligation Remove current obligation.
CISION			•		
DECISION		•	•		
		•	•	•	
FINAL DECISION		•	•	•	
		•	•	•	





Appendix C – Changes to compliance reporting obligations

RB0850– Clause 72(3) – Payment plans (removal of indicator)

	Current obligation		Justification for removal		Draft obligation
DRAFT DECISION	Obligation: Clause 72(3) – Payment plans Description: Retailer's obligations upon a request for a payment plan for a small customer who is not a residential customer.	•	This reporting obligation has been replaced by an equivalent obligation relating to new clause 81 'Payment arrangements'.	•	Remove current obligation.
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final obligation
FINAL DECISION	No specific feedback received on this obligation.	•	No change from draft decision	•	Remove current obligation.

RB1200 – Clause **71B(1)** – Equitable Access to hardship policy (removal of indicator)

	Current obligation		Justification for removal		Draft obligation
SION	Obligation: Clause 71B(1) – Equitable Access to hardship policy	•	Retailers are now required to offer Standard assistance and Tailored assistance to all residential customers. These requirements are covered under a new reporting obligation in clause 76 and 79.	•	Remove current obligation.
DRAFT DECISION	Description: The retailer must provide residential customers in financial hardship with equitable access to the options in their policy appropriate to their individual circumstances.				
	Draft decision feedback (summary)		ESC response to draft decision feedback		Final obligation
FINAL DECISION	No specific feedback received on this obligation.	•	No change from draft decision	•	Remove current obligation.

Appendix D – Submissions to the draft decision

Consumer groups

• Consumer Action Law Centre

Energy distributors

• Australian Gas Infrastructure Group

Energy retailers

- AGL
- EnergyAustralia
- Momentum Energy
- Powershop
- Simply Energy
- Sumo Power

Appendix D – Submissions to the draft decision

