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Essential Services Commission
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Melbourne VIC 3000

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Review of Energy Retail Performance Indicators - Staff Consultation Paper

Origin Energy (Origin) welcomes this opportunity to respond to Commission's review of Energy Retail Performance Indicators.

Origin supports the full alignment of Victorian regulatory instruments with the National Energy Customer Framework (NECF) ahead of Victorian adoption of the NECF. We intend to explore this matter further in our submission to the harmonisation of Energy Retail Codes and Guidelines with the NECF.

Origin acknowledges the efforts made by the Commission in aligning its performance indicators with AER indicators that will apply when the NECF is in force. However, we do not feel the paper goes far enough towards achieving this objective. Any changes to indicators at this stage in the transition to NECF should be made with the sole intention of progressing toward the outcome of alignment. As such, we only support those changes below that achieve this as we feel the time for further jurisdictional amendments has now passed, and the continuation or introduction of non-NECF metrics only comes at the expense of the overarching NECF objectives.

We note also that the Commission intends to maintain reporting for a number of indicators on a monthly basis in contrast to the quarterly-based reporting that will be applied by the Australian Energy Regulator under NECF (and for others, a longer period than the AER will apply under NECF). One of the reasons given by the Commission for this is comparison with historic data to analyse trends and ensure that the data is consistent. While Origin understands this reasoning, we do not believe it outweighs the cost of continuing to report on a monthly basis (or a basis not aligned with the Commission's current practice), given the adoption of NECF is likely to occur in Victoria in the next 18 to 24 months.

We make specific comment on the recommendations set out in the consultation paper below.

Harmonisation of indicators with the AER

The Commission flags its intention to continue collection of customer numbers on a monthly basis. This does not align with the AER's quarterly collection cycle, and we see little additional benefit in the ESC's position to justify continuing this difference. The ESC states they '*consider the accuracy of customer numbers data a high priority because this information is used as the basis for analysing many other indicators such as disconnections.*' We do not see this as a legitimate reason for continuing with monthly reporting, given that quarterly statistics provide an equally useful basis for market analysis. The AER's Quarterly 'Retail Energy Market Update' is indicative of this position, and we see no additional benefit in further disaggregation of this data that would justify the increased burden on retailers.

For similar reasons to the above, we support the ESC's proposal to align customer consumption threshold categories, and we question why the Commission sees the benefit in alignment of threshold reporting but not timing.

Clarification of definitions

We support the Commission's proposal to expand the definition of retail customer to specifically reference gas MIRNs.

Origin's responses to the proposed changes to performance indicators detailed in chapter two to five are set out in tabular format below.

Chapter 2: Background indicators

AER ref.	Indicator	ESC Recommendation	Origin Comment
S2.1.a.i/ S2.2.a.i	Definition of retail electricity customers - residential	Align with AER by distinguishing between standard and market contracts.	Support.
S.2.1.a.ii/ S2.2.a.ii	Definition of non-residential customers <40MWh p.a.	As above	Support.
S2.2.a.iii	Definition of non-residential customers 160-750MWh and >750MWh p.a.	Align with AER definition “Customers consuming more than 100MWh p.a.”	Support.
S2.1.b.i/ S2.2.b.i	Definition of retail gas customers	No current ESC definition. As recommended residential electricity customers, the reporting of customer numbers should also be divided into standard and market offer contracts.	Support.
S.2.1.b.ii/ S2.2.b.ii-iii	Definition of non-residential retail gas customers	Adopt AER threshold classifications and disaggregate customers into market and standard retail contracts: <400GJ p.a. “Small Business Retail Gas Customers” on market or standard retail contracts 400-1000GJ p.a. “Retail Gas Small Market Offer Customers” on market or standard retail contracts >1000GJ p.a. “Large Gas Customers”	Support.

Chapter 3: Affordability indicators (billing, disconnections, reconnections)

AER ref.	Indicator	ESC Recommendation	Origin Comment
-	Estimate accounts	Retain current estimated accounts indicator and change the definition of what should be excluded for estimated accounts.	Remove - cannot be justified against the broader objectives of harmonisation of reporting across jurisdictions.
S3.13	Budget instalment plans	Align with AER definition and change the indicator to	Support.

AER ref.	Indicator	ESC Recommendation	Origin Comment
		'Instalment payment plans'	
S3.28 and S3.29	Refundable advances - Number and amount	Align with AER with some improvement in definitional clarity.	Support.
-	Direct debit customers	No AER equivalent, but add Centrepay to the number of customers with direct debit arrangements.	Remove - cannot be justified against the broader objectives of harmonisation of reporting across jurisdictions.
-	Direct debit plan terminations	Expand to include Centrepay arrangements	Remove - cannot be justified against the broader objectives of harmonisation of reporting across jurisdictions. Additionally, Origin disagrees that this metric provides meaningful information. Many customer with no payment difficulties use direct debits but incur terminations from time to time due to use of multiple bank accounts. A termination may be the result of timing issues in shifting funds between accounts and provides little indication of any genuine hardship. Hardship measures capture this information in a far more meaningful way.
S3.24.a/ S3.24.b	Disconnections	Align with AER definition to improve clarity.	Support.
S3.25.a/ S3.25.b	Reconnections within 7 days	Align with AER definition to improve clarity.	Support.
S3.24.e	Disconnections previously on a budget instalment plan	Retain current reporting frequency, clarify definition.	Support full alignment with AER reporting (including frequency).
S3.24.f	Disconnections in the same name and address within past 24 months	Align title of indicator with AER.	Support.
S3.24.d	Disconnections of Concession Cardholders	Align title of indicator with AER	Support.
S3.25.e	Reconnections previously on a budget instalment plan	Align title of indicator with AER and clarity definition (definition still not aligned with AER).	Do not support ongoing use of 24 month period in definition. Support full alignment with the AER's 12 month period.
-	Reconnections in the same name and address in the previous 24 months	Definition clarified.	Support full alignment with AER reporting, including reporting frequency.

AER ref.	Indicator	ESC Recommendation	Origin Comment
S3.25.d	Reconnections of Concession Cardholders	Alignment of indicator	Support.

Chapter 4: Financial Hardship Program Indicators

AER ref.	Indicator	ESC Recommendation	Origin Comment
S4.1	Hardship Program	Minor change to definition.	Support
-	Hardship program participants for whom access was sought by a third party	Remove indicator.	Support
S4.2	Hardship program participants who are concession cardholders	Align with AER definition.	Support
S4.3	Customers denied access to a retailer's hardship program during the period	Align with AER definition.	Support
-	New entrants into a retailer's hardship program	Add new indicator.	Do not support - cannot be justified against the broader objectives of harmonisation of reporting across jurisdictions.
S4.4	Average debt of new entrants into a hardship program	The ESC will continue to collect data on a monthly basis. Adopt AER entry debt levels from S4.5 (\$0 to \$500, \$500 < \$1,500, \$1,500 < \$2,500, >\$2,500).	Support full alignment with AER reporting, including reporting frequency. There is no justification of collection this data on a monthly basis in regards to addition benefits to market analysis.
-	Average debt upon exit from a hardship program	Adopt AER measure of 'Average debt of hardship program customers'	Support.
-	Average length of participation for customers in a hardship program at the end of period	Retain measure (there is no equivalent AER indicator) and simplify the title.	Remove.
S4.9.a	Participants exiting a hardship program by agreement with the retailer	Amend definition of indicator to align with AER on hardship program exit numbers. Add a new indicator to align with AER reporting requirements: 'Hardship program exits due to switching, transferring or leaving the retailer.'	Support.
S4.9.b	Hardship program participants excluded for	Amend definition to align with AER for all indicators relating to hardship program exit numbers.	Support.

AER ref.	Indicator	ESC Recommendation	Origin Comment
	not complying with requirements		
S4.10	Disconnections of previous hardship program participants within 12 months	Current approach to monitoring this indicator will continue. AER cross-referencing implied by the NECF measure onerous. Title and definition of indicator to be amended without changing current intent/application.	Support full alignment with AER's definition.
S4.11	Reconnections of previous hardship program participants within 12 months	As above.	As above (this metric is a subset of the above and therefore the two must align).
-	Energy field audits provided at no cost to customer	Simplification of title.	While we note that the ESC is required to provide this in the annual Performance Report by the Victorian Government, we do not support its ongoing inclusion in performance reporting and would prefer to see it collected separately and on an annual basis.
-	Energy field audits provided at partial cost to customer	As above.	As above.
-	Average cost contributed by customers where a partial contribution was required	Amend title for clarification.	As above.
S4.12	Appliances provided under a hardship program	Tighten the definition to exclude light globes and power boards as an 'appliance' to ensure consistency in reporting.	Remove.
-	Customers referred to Home Wise/Capital Grants program for appliance replacement	Remove indicator as program discontinued.	Agree.
-	Customers referred to Home Wise/Capital Grants program for appliance replacement	As above.	As above.

Chapter 5: Call centre enquiries and complaint indicators

AER ref.	Indicator	ESC Recommendation	Origin Comment
-	Calls to account line	Remove indicator to align with AER reporting requirements.	Support.
S3.1	Calls to an operator	Align to AER definition with regard to the inclusion of both sales calls and abandoned calls to provide clarity to retailers around which calls to include in their data set.	Support.
S3.2	Calls to an operator responded within 30 seconds	Align ESC indicator with the AER but add a reference to exclude all abandoned calls.	Support.
S3.3	Average waiting time	Clarification of ESC indicator definition.	Support.
S3.4	Abandoned calls	As above.	Support.
S3.5	Complaints - billing/credit	Indicator title changed to 'Complaints - billing'. Retailers are to report the number of complaints for the eight categories set out on page 36 of the consultation paper.	Support.
S3.6	Complaints - marketing	Indicator title changed to 'Complaints - marketing'. Similar process for billing/credit for the five categories set out on page 37 of the consultation paper.	Support.
S3.7	Complaints - transfers	Indicator title change to 'Complaints - customer transfers'. As for S3.6 and S3.5 above for the three categories (but not limited to these three) set out on page 37 of the consultation paper.	Support.
S3.8	Complaints - other	Definition of this indicator simplified and examples of complaint categories that might be reported provided on page 38 of the consultation paper.	Support.



Chapter 6: Wrongful disconnection complaint indicators

Origin supports the Commission's intention to remove the wrongful disconnection complaint indicators from the performance monitoring framework and agrees that this will ease the regulatory burden of reporting Wrongful Disconnection Payments (WDP).

Conclusion

Again, we thank you for the opportunity to review the staff consultation paper, and Origin would welcome further discussion with the Commission on the review of performance indicators. In the first instance, please contact Patrick Edwards, Compliance Reporting Analyst on email patrick.edwards@originenergy.com.au or phone 03 8665 7271.

Yours sincerely

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