



17<sup>th</sup> January 2013

By email: [elecindicators@esc.vic.gov.au](mailto:elecindicators@esc.vic.gov.au)

Essential Services Commission  
Level 37  
2 Lonsdale St  
MELBOURNE VIC 3000

Dear Madam

RE REVIEW OF ENERGY RETAIL PERFORMANCE INDICATORS-STAFF CONSULTATION PAPER

Thank you for the opportunity to comment on this paper.

One overriding point that Red Energy wishes to make is the importance of consistency of reporting requirements between jurisdictions.

Having to report on different timing periods for different criteria is inherently inefficient. While we appreciate and agree with the need for different reporting based on different jurisdictional views, we believe that inconsistent reporting in fact confuses the reporting outcomes, because it is impossible to accurately compare or draw reliable data. For this reason, wherever it is possible to align reporting obligations in any manner between jurisdictions, Red Energy would support such an alignment.

Red Energy has made comment on particular issues/aspects below, rather than commenting on every point in the paper.

1. 3.4 Estimated accounts

It is Red Energy's view that the variation in data around estimated accounts is due to the lack of clarity in the definition. However the proposed change does not improve this position greatly. There are so many causes of bill estimations, many of which are beyond Retailers control, that we do not believe that this data is of any real value.

2. 3.4 Direct Debit Customers

It is important to note that CentrePay is not a direct debit arrangement, and should not be treated the same way.

We agree that there is substantial benefit in CentrePay as a Performance Indicator, however for the reasons below, we do not believe that it should sit with direct debit customers. It is also a relevant comment that both direct debit and CentrePay are not just for convenience, but are critical components of assisting Customers in managing energy bills.

We question the correlation of CentrePay to the relevance of the statistic (stated as "relevant because many retailers offer discounts for payments made on time and/or by direct debit.."). CentrePay (in the majority of cases) indicates limited income and therefore the chances of paying on time are often largely reduced.

Also CentrePay is a method whereby all control sits in the hands of the consumer. The Centrelink website states "CentrePay is a voluntary bill paying service that is easy to use. You can start, change, or cancel Centrepay deductions at any time, to suit your own personal circumstances." The retailer has little control over customers CentrePay deductions; payment amounts can change or stop with little or no warning based on the amount of the fortnightly benefit payment amount.

Direct debit arrangements are subject to specific agreement between customers and retailers (subject to regulatory controls).

Should you have any questions or require any further clarification please feel free to contact me.

Yours sincerely



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