

Electricity Industry Act 2004

Electricity Retail Licence Performance Reporting Handbook

April 2008

Economic Regulation Authority



WESTERN AUSTRALIA

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1 Background

The Economic Regulation Authority (**Authority**) is responsible for administering the electricity licensing scheme under Part 2 of the *Electricity Industry Act 2004 (Act)*. A business licensed by the Authority is required to comply with a range of obligations prescribed by the Act and its associated regulations and codes.

Under section 11/Schedule 1 of the Act, the Authority may determine licence terms and conditions, including requiring a licensee to publish specified information in relation to its performance under a licence. In accordance with these powers, the Authority requires the holders of electricity retail licences to report against the performance indicators identified in section 17.2 of the Electricity Compliance Reporting Manual (**Reporting Manual**). The annual performance report for the year ending 30 June is to be provided to the Authority by 20 September.

2 Purpose of this Handbook

This document replaces the definitions related to the performance reporting obligations for electricity retail licensees in the Electricity Compliance Reporting Manual - Data Input Guide for Retail and Distribution Licensees, published by the Authority in May 2007¹.

The template in section 17.2 of the Reporting Manual applies to small use customers². It is important that there is a shared understanding amongst all stakeholders in respect of the information that is to be reported by electricity retail licensees, including the definitions to be applied to the performance indicators and the Authority's expectations as to the manner in which the information should be presented. Consistent with this objective, the Authority has issued this guide to inform electricity retail licensees of the:

- definitions to be applied to the performance indicators in the performance reports; and
- basis upon which inputs to the performance reports should be calculated (where appropriate).

Where reference is made to other documents within this guide, the Authority recommends that the licensee familiarise themselves with these other documents in order to obtain a fuller understanding of the reporting context. Of particular interest is the **2006 SCONRRR Report**³, which sets out a performance reporting framework for energy retailers.

¹ This document can be found on the Authority's web site: http://www.era.wa.gov.au/2/281/51/regulatory_guid.pm

² A small use customer consumes less than 160MWh of electricity per annum

³ National Energy Retail Performance Indicators, Steering Committee on National Regulatory Reporting Requirements – Retail Working Group, November 2006. A copy can be obtained on the Authority's web site: http://www.era.wa.gov.au/2/281/51/regulatory_guid.pm

3 Performance Reporting Tools

The Authority has issued an Excel workbook called the Electricity Retail Licence Performance Report (**Performance Report**). It is mandatory for licensees to provide their annual performance reports to the Authority by completing the Performance Report. The latest version of the Performance Report can be found on the Authority's web site⁴.

The Performance Report comprises 8 worksheets, one for each of the performance reporting categories set out in section 17.2 of the Reporting Manual:

- Customers;
- Affordability;
- Disconnections for Non-Payment;
- Reconnections;
- Security Deposits;
- Complaints;
- Compensation Payments; and
- Contact Centre Performance.

4 Completing the Performance Report

The Performance Report comprises a number of worksheets containing tables in the format shown in Table 1 below.

Table 1: Example datasheet format

No.	Reference	Description	Basis of Reporting		
			Number	Percentage	Value (\$)
RA 1	Code of Conduct clause 13.6(1)(a)	Total number of residential accounts held by its customers			

When completing the worksheets in the Performance Report, it is important that the structure of the data entry cells are not modified by inserting, deleting or re-ordering rows/columns.

Only enter data into the cells that are not shaded.

If it is necessary to add a comment in relation to an indicator, use the Excel "Insert Comment" function to add the comment in the unshaded cell.

The No. column contains the unique reference number for the indicator. In this case the indicator is the first indicator in the trading licence indicator set (R), category A (Customers).

The reference column identifies the document from which the indicator has been derived, if applicable.

⁴ The latest version of the Data Sheets can be found on the Economic Regulation Authority web site at: http://www.era.wa.gov.au/2/281/51/regulatory_guid.pm

The description provides a short form explanation of what the indicator is intended to measure.

The basis of reporting offers 3 options:

- Number. This is used to enter any numerical value other than a percentage or a dollar value.
- Percentage.
- Value (\$).

The following rules apply to reporting numerical values:

- Values less than 100 should be rounded to 1 decimal place (dp);
- Values greater than 100 should be rounded to the nearest integer;
- All percentages should be rounded to 1 dp; and
- All zero values should be reported by placing a zero in the appropriate cell.

If it is not possible to provide the required data for an indicator then the cell should be left blank and a comment added to explain why the data cannot be provided using the Excel "Insert Comment" function.

5 Customers

Purpose

To report on the scale and composition of the electricity retail businesses licensed by the Authority. The number of customers is also used as a normaliser for other indicators.

Reported Indicators

No.	Indicator
RA 1	Total number of residential accounts held by contestable customers
RA 2	Total number of residential accounts held by non-contestable customers
RA 3	Total number of business accounts held by contestable customers
RA 4	Total number of business accounts held by non-contestable customers
RA 5	Total number of pre-payment meter customers

Definitions

Contestable residential/non-residential customer means a customer who consumes between 50MWh and 160MWh of electricity per annum.

Non-residential customer means a small use customer who is not a residential customer.

Residential customer means a small use customer who takes an electricity supply for domestic use, which implies that the supply is made on a residential/domestic tariff arrangement.

Note:

Customers who are supplied on a combined domestic/non-domestic tariff arrangement are deemed to be non-residential customers.

Calculations

The total number of customers in a given class, residential or non-residential, is the number of customers billed by the retailer at the end of the reporting period.

6 Affordability and Access

Purpose

To report on the proportion of the retailer's customers who:

- Have entered into an instalment payment arrangement to pay account arrears and continued usage; or
- Have been granted more time to pay a bill; or
- Have had a direct debit plan/facility terminated as a result of payment defaults.

Reported Indicators

No.	Indicator
RB 1	Total number of residential customers who are subject to an instalment plan
RB 2	Percentage of residential customers who are subject to an instalment plan
RB 3	Total number of non-residential customers who are subject to an instalment plan
RB 4	Percentage of non-residential customers who are subject to an instalment plan
RB 5	Total number of residential customers who have been granted additional time to pay their bill under Part 6 {of the Code of Conduct}
RB 6	Percentage of residential customers who have been granted additional time to pay their bill under Part 6 {of the Code of Conduct}
RB 7	Total number of non-residential customers who have been granted additional time to pay their bill under Part 6 {of the Code of Conduct}
RB 8	Percentage of non-residential customers who have been granted additional time to pay their bill under Part 6 {of the Code of Conduct}
RB 9	Total number of residential customers who have been placed on a shortened billing cycle
RB 10	Percentage of residential customers who have been placed on a shortened billing cycle
RB 11	Total number of non-residential customers who have been placed on a shortened billing cycle
RB 12	Percentage of non-residential customers who have been placed on a shortened billing cycle
RB 13	Total number of residential customers who have had direct debit plans terminated
RB 14	Percentage of residential customers who have had direct debit plans terminated
RB 15	Number of non-residential customers who have had direct debit plans terminated
RB 16	Percentage of non-residential customers who have had direct debit plans terminated

Definitions

Direct debit plan termination means where a direct debit plan/facility is terminated as result of default/non-payment.

Instalment plan means an arrangement between the retailer and a customer to pay arrears and continued usage on their account according to an agreed payment schedule and capacity to pay. It does not include customers using a payment plan as a matter of convenience or for flexible budgeting purposes.

Shortened billing cycle means where a customer receives bills at a frequency that is greater than the standard billing frequency for similar customers.

Note:

The terms budget instalment plan, instalment payment plan and instalment plan all have the same meaning for the purposes of interpreting the definitions in this handbook.

The reader is referred to the notes on page 49 of the 2006 SCORRR Report for further definitional information related to instalment payment plans and direct debit terminations.

Calculations

Percentage of customers on instalment payment plans is calculated by dividing the number of customers on instalment payment plans in a given class, residential or non-residential, by the total number of customers in that class.

Percentage of direct debit plans terminated is calculated by dividing the number of direct debit plans terminated by the total number of direct debit plans in the relevant customer class.

Percentage of customers on a shortened billing cycle is calculated by dividing the number of customers on a shortened billing cycle a given class, residential or non-residential, by the total number of customers in that class.

7 Disconnections for Non-Payment

Purpose

To report on:

- The proportion of the retailer's customers who have been disconnected due to failure to pay an amount owed; and
- The rate of disconnections among specific customer groups such as instalment payment plan customers.

Reported Indicators

No.	Indicator
RC 1	Total number of residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 {of the Code of Conduct} for failure to pay a bill
RC 2	Percentage of residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 {of the Code of Conduct} for failure to pay a bill
RC 3	Total number of non-residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 {of the Code of Conduct} for failure to pay a bill
RC 4	Percentage of non-residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 {of the Code of Conduct} for failure to pay a bill
RC 5	Total number of residential customers who have been disconnected who were previously the subject of an instalment plan
RC 6	Percentage of residential customers who have been disconnected who were previously the subject of an instalment plan
RC 7	Total number of residential customers who have been disconnected at the same supply address within the past 24 months
RC 8	Percentage of residential customers who have been disconnected at the same supply address within the past 24 months
RC 9	Total number of residential customers who have been disconnected while receiving a concession
RC 10	Percentage of residential customers who have been disconnected while receiving a concession

Definitions

Disconnection for failure to pay a bill means a customer whose supply was disconnected due to a failure to pay an amount owed.

Disconnection of a customer who was previously the subject of an instalment plan means a residential customer whose supply was disconnected for failure to pay and who are, or who were within the previous 24 months, on an instalment payment plan.

Disconnection of a customer disconnected previously within the past 24 months means a residential customer whose supply was disconnected for failure to pay and who have been disconnected for failure to pay on one or more occasions within the previous 24 months.

Disconnection of a customer receiving a concession means disconnection of a residential customer who receives a concession, rebate or grant related to the supply of electricity for failure to pay.

Note:

If a customer is subject to more than one disconnection during the reporting period, then each disconnection should be reported separately. The purpose of the indicators is to measure the number of disconnection events rather than the number of customers experiencing disconnection.

The reader is referred to the notes on pages 50 and 51 of the 2006 SCONRRR Report for further definitional information related to disconnections and reconnections.

Calculations

The “percentage of customers disconnected” is calculated by dividing the relevant number of customers disconnected for failure to pay by the total number of customers in the relevant class. For example:

Percentage of residential customers disconnected previously on a budget instalment plan equals $100 \times$ (the number of customers previously on a budget instalment plant divided by the total number of residential customers during the reporting period)

Note: it is possible for a customer disconnection to count towards more than one disconnection indicator, i.e. a customer is on a Government funded rebate and has been disconnected within the previous 24 months.

8 Reconnections

Purpose

To report on:

- The proportion of the retailer's customers who have been reconnected following a disconnection for failure to pay a bill; and
- The rate of reconnections among specific customer groups such as instalment payment plan customers.

Reported Indicators

No.	Indicator
RD 1	Total number of residential customers who have been reconnected at the same supply address in the same name within 7 days of having been disconnected
RD 2	Percentage of residential customers who have been reconnected at the same supply address in the same name within 7 days of having been disconnected
RD 3	Total number of non-residential customers who have been reconnected at the same supply address in the same name within 7 days of having been disconnected
RD 4	Percentage of non-residential customers who have been reconnected at the same supply address in the same name within 7 days of having been disconnected
RD 5	Total number of residential customers who have been reconnected in the same name who were previously the subject of an instalment plan
RD 6	Percentage of residential customers who have been reconnected in the same name who were previously the subject of an instalment plan
RD 7	Total number of residential customers who have been reconnected in the same name and at the same supply address within the past 24 months
RD 8	Percentage of residential customers who have been reconnected in the same name and at the same supply address within the past 24 months
RD 9	Total number of residential customers who have been reconnected and who, immediately prior to disconnection, was receiving a concession
RD 10	Percentage of residential customers who have been reconnected and who, immediately prior to disconnection, was receiving a concession

Definitions

Reconnection means the restoration of supply, in the same name and at the same premises, to a customer who has previously been disconnected for failure to pay a bill.

Reconnection within 7 days means the reconnection of a customer within 7 calendar days of disconnection for failure to pay a bill.

Reconnection of a customer previously on an instalment payment plan means a customer whose supply was reconnected who are, or who were in the previous 24 months, on an instalment payment plan.

Reconnection of a customer who was previously disconnected within the past 24 months means a customer whose supply was reconnected and who have been disconnected on one or more occasions in the previous 24 months for failure to pay a bill.

Reconnection of a customer receiving a concession means the reconnection of a residential customer who receives a concession, rebate or grant related to the supply of electricity at the time of disconnection.

Note:

The reader is referred to the notes on pages 50 and 51 of the 2006 SCORRRR Report for further definitional information related to disconnections and reconnections.

Calculations

The “percentage of customers reconnected” is calculated by dividing the number of customers reconnected by the total number of customers disconnected in each disconnection category. For example:

Percentage of customers reconnected who were previously the subject of an instalment plan equals 100 x (the number of customers reconnected who were previously the subject of an instalment plan divided by the total number of residential customers during the reporting period)

9 Security Deposits

Purpose

To report on the proportion of the retailer's customers who have lodged security deposits to secure a gas supply.

Reported Indicators

No.	Indicator
RE1	Total number of residential customers who have lodged security deposits
RE2	Percentage of residential customers who have lodged security deposits
RE3	Total number of non-residential customers who have lodged security deposits
RE4	Percentage of non-residential customers who have lodged security deposits

Definitions

Security deposits means the lodgement of a security deposit (refundable advance) to secure connection or reconnection to supply. The number reported should be as at 30 June of the relevant reporting year.

Calculations

The "percentage of customers who have lodged security deposits" is calculated by dividing the number of customers who have lodged security deposits by the total number of customers in the relevant class (i.e. residential or non-residential).

10 Complaints

Purpose

To report on the level of satisfaction with the retailer's service and to provide information about the level of customer complaints against defined categories.

Reported Indicators

No.	Indicator
RF1	Total number of complaints received from residential customers
RF2	The percentage of total complaints from residential customers that relate to billing/credit complaints
RF3	The percentage of total complaints from residential customers that relate to transfer complaints
RF4	The percentage of total complaints from residential customers that relate to marketing complaints
RF5	The percentage of total complaints from residential customers that relate to other complaints
RF6	Percentage of residential complaints concluded within 15 business days
RF7	Total number of complaints received from non-residential customers
RF8	The percentage of total complaints from non-residential customers that relate to billing/credit complaints
RF9	The percentage of total complaints from non-residential customers that relate to transfer complaints
RF10	The percentage of total complaints from non-residential customers that relate to marketing complaints
RF11	The percentage of total complaints from non-residential customers that relate to other complaints
RF12	Percentage of non-residential complaints concluded within 15 business days
RF 13	Total number of complaints, other than those complaints specified in clause 13.13(a) {of the Code}, relating to a pre-payment meter customer
RF 14	Percentage of pre-payment meter complaints, other than those complaints specified in clause 13.13(a) {of the Code}, concluded within 15 business days

Definitions

Billing complaints includes billing errors, incorrect billing of fees and charges, failure to receive relevant Government rebates, high billing, credit collection, disconnection and reconnection, and restriction due to billing discrepancy.

Complaint means an expression of dissatisfaction made to an organisation, related to its products/services, or the complaints handling process itself where a response or resolution is explicitly or implicitly expected. The reader is referred to the detailed discussion of complaints, with examples, in Appendix 1 of the 2006 SCONRRR Report. This document draws on the guidelines for complaints handling in Standard AS ISO 10002-2006 Customer satisfaction – Guidelines for complaints handling in organisations.

Note:

- Complaints may be received via telephone, mail, facsimile, email or in person.
- More than one complaint can be made per customer contact. If a customer makes a complaint about a billing matter and a transfer matter in the same communication, then 2 complaints should be recorded.

Marketing complaints includes advertising campaigns, contract terms, sales techniques and misleading conduct.

Other complaints includes poor service, privacy considerations, failure to respond to complaints in a timely manner, health and safety issues, and any other matter not falling into the billing, marketing and transfer categories.

Transfer complaints includes failure to transfer a customer within a certain time period, disruption of supply due to transfer and billing problems directly associated with the transfer (e.g. delay in billing, double billing).

Pre-payment meter customer means a customer that has a meter that requires the customer to pay for the supply of electricity prior to consumption operating at their supply address.

Calculations

The “percentage of total complaints” is calculated by dividing the relevant complaint category figure by the total number of complaints across all complaint categories, for the relevant customer category (residential or non-residential) and then multiplying the product by 100. For example, the percentage of residential customer complaints that relate to other complaints is given by $100 \times (\text{number of other complaints} / \text{total number of residential customer complaints})$.

The “percentage of complaints concluded within 15 business days” is calculated by dividing the number of complaints that have been concluded in accordance with the utility’s complaints handling processes by the total number of complaints received for the relevant customer category (residential, non-residential or pre-payment) and then multiplying the product by 100.

11 Compensation Payments

Purpose

To report on the number of payments and the amounts paid by retailers for failing to meet specified standards of service to customers.

Reported Indicators

No.	Indicator
RG1	Total number of payments made under clause 14.1 {of the Code of Conduct}
RG2	Average amount of payments made under clause 14.1 {of the Code of Conduct}
RG3	Total number of payments made under clause 14.2 {of the Code of Conduct}
RG4	Average amount of payments made under clause 14.2 {of the Code of Conduct}
RG5	Total number of payments made under clause 14.3 {of the Code of Conduct}
RG6	Average amount of payments made under clause 14.3 {of the Code of Conduct}

Definitions

Number of payments made means the number of payments that have been made during the reporting period. Payments that have been claimed by customers but not yet paid are excluded.

Average amount of payments made means the total dollar amount paid to customers in relation to the specified category of compensation payment during the reporting period. Payments that have been claimed by customers but not yet paid are excluded.

12 Contact Centre Performance

Purpose

To report on the level of service provided to customers who contact the retailer by telephone⁵.

Reported Indicators

No.	Indicator
RH1	Total number of telephone calls to an operator
RH2	Total number of telephone calls to an operator responded to within 30 seconds
RH3	Percentage of telephone calls to an operator responded to within 30 seconds
RH4	Average duration (in seconds) before call answered by an operator
RH5	Percentage of calls that are unanswered

Definitions

Number of telephone calls to an operator responded to within 30 seconds means the number of calls to an operator or customer service operator that were answered within 30 seconds. In the case of an IVR system the measurement period commences at the time that the customer selects an operator option.

Total number of telephone calls to an operator means the total number of calls received by a retailer that were handled by an operator or customer service operator, and in the case of an IVR system covers the number of calls where the customer has selected the relevant operator option (i.e. indicated they wish to be connected to an operator or Customer Service Officer). This indicator excludes all calls that do not require operator attention, including IVR calls where the customer does not select an operator option, and calls that were abandoned before an operator option was selected.

Note:

- This is to include all calls to an operator or Customer Service Officer, including sales calls.
- This measure includes all calls that were abandoned after an operator option was selected.
- Calls to third parties, such as contractors or marketing agents acting on behalf of the retailer, are not to be included. However, calls received by a contractor that is providing all or part of the retailer's customer service operations, i.e. an outsourced call centre, are to be included.

Call that is unanswered means where the customer has terminated the call before it was answered by an operator or, in the case of an IVR system, includes all calls where the customer selected an option indicating they wished to speak with an operator, but then subsequently terminated the call before it was answered by an operator. Calls to an IVR system that are terminated by the customer prior to selecting a relevant operator option are not included.

⁵ Reporting against these indicators is mandatory for retailers who operate a contact centre that is capable of automatically recording some or all of the responsiveness indicators. Retailers who have other systems to handle customer calls may report on those responsiveness indicators that they record on a voluntary basis.

Calculations

The “percentage of telephone calls to an operator responded to within 30 seconds” is calculated by dividing the number of calls that were answered in 30 seconds or less by the total number of calls to an operator.

The “average duration before call answered by operator” is calculated as:

$$\frac{\sum(\text{answer wait times})}{\text{total number of calls answered by an operator}}$$

Note:

- This measure only includes calls that are answered by an operator.
- For IVR systems, the measurement period commences at the time that the customer selects an operator option.
- For non-IVR systems, the measurement period commences when the call is received by the switchboard until the call is answered by an operator who is able to respond to the customer’s enquiry rather than place the customer into a queue.
- Abandoned calls are excluded.

The “percentage of calls that are unanswered” is calculated by dividing the total number of unanswered calls by the total number of telephone calls to an operator.

