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## **NATIONAL ENERGY RETAIL PERFORMANCE INDICATORS**

Utility Regulators Forum

Steering Committee on National Regulatory Reporting Requirements -  
Retail Working Group

## **Preface**

In March 2002, the Utility Regulators Forum (URF) issued a final report on national regulatory reporting requirements for electricity distribution and retailing businesses, which outlined the URF's agreed national regulatory reporting framework and template.

Most jurisdictions have largely adopted the template for electricity retailers. In early March 2006, the URF released a Discussion Paper prepared by the Steering Committee on National Regulatory Reporting Requirements (SCONRRR)-Retail Working Group on refining a national set of performance indicators for energy retailers.<sup>1 2</sup>

Based on issues arising since the inception of the template, the Discussion Paper proposed to:

- revise some of the data definitions employed for the electricity retail sector
- expand the performance indicators to include the gas retail sector
- add additional indicators for both electricity and gas retail, which more comprehensively monitor the assistance provided to customers experiencing payment difficulties, and
- achieve greater consistency in complaints and call centre reporting.

Fifteen submissions on the proposals were received from retailers, Ombudsman and Dispute Handling Bodies and consumer groups. All submissions have been considered in the Final Paper.

In the current climate of national energy reform it was decided to limit the scope of the review of the performance indicators as much as possible. The outcomes in this Final Paper therefore reflect the least cost approach to the most appropriate reporting framework to accommodate the different stages of the competitive market operating in the jurisdictions now. Further, the Final Paper, which provides for the expansion of the indicators to include gas, greater clarification of definitions, improved affordability and complaints indicators, is designed to enhance consistency in reporting and enable better comparison to be made between retail fuel sectors across jurisdictions. It is considered that this will assist in the transition to the national energy regulatory framework.

Notwithstanding the above, efforts have been made to limit the extent of any changes until a more thorough review by the new regulatory bodies (the AER and the AEMC) can be undertaken.

<sup>1</sup> The Steering Committee on National Regulatory Reporting Requirements (SCONRRR) was established by the URF to oversee the development of requirements for the reporting of electricity retailers and distributors' performance. Its objective was to gain agreement by regulators<sup>1</sup> to apply a national set of indicators for national reporting purposes, enabling stakeholders to compare the performance of energy retailers and distributors across jurisdictions.

<sup>2</sup> "National Energy Retail Performance Indicators-Discussion Paper", Utility Regulators Forum, Steering Committee on National Regulatory Reporting Requirements-Retail Working Group, March 2006. Released on a number of regulators' websites and available from the Essential Services Commission of SA (ESCOSA website) at [www.escosa.sa.gov.au/site/page.cfm?u=150&c=1663](http://www.escosa.sa.gov.au/site/page.cfm?u=150&c=1663).

The Final Paper does not represent a direction for retailers to amend the operational performance reports currently provided to regulators. Each jurisdictional regulator will now have the opportunity to review their retailer information specifications and consider amending them to make them consistent with the findings of this Final Paper. It is recommended that amended specifications are in place to enable reporting to commence during the 2007/08 financial year.

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# 1 Introduction

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In March 2002, the Utility Regulators Forum (URF)<sup>3</sup> issued a final report on national regulatory reporting requirements for electricity distribution and retailing businesses. The March 2002 report outlined the URF's agreed national regulatory reporting framework, including a template of national operating performance indicators for retail and distribution, and financial performance indicators for distribution.

Most jurisdictions have largely adopted the March 2002 Report template of national operating performance indicators for electricity retail suppliers.

These indicators have now been operational for several years and in early March 2006, the URF released for consultation a Discussion Paper prepared by the Steering Committee on National Regulatory Reporting Requirements (SCONRRR)-Retail Working Group on refining a national set of performance indicators for energy retailers.<sup>4 5</sup>

The following observations were made in the Discussion Paper regarding the effectiveness of the current indicators:

- Problems have been encountered with reporting consistency between and within jurisdictions.
- There has been convergence between electricity and gas retailing, with regulation also converging. The adoption of similar performance indicators for electricity and gas retailers now appears warranted.<sup>6</sup>
- Some jurisdictions have encountered increases in disconnection rates and further enhancements of affordability indicators may be warranted to assist in identification of customers experiencing financial difficulties and consequently the development of policy responses in this area.

The Discussion Paper outlined a proposal to:

- revise or clarify some of the data definitions employed for the electricity retail sector;
- expand the performance indicators to include the gas retail sector; and

<sup>3</sup> URF membership includes representatives of the state and territory regulators, and the ACCC and Australian Energy Regulator (AER).

<sup>4</sup> The Steering Committee on National Regulatory Reporting Requirements (SCONRRR) was established by the URF to oversee the development of requirements for the reporting of electricity retailers and distributors' performance. Its objective was to gain agreement by regulators<sup>4</sup> to apply a national set of indicators for national reporting purposes, enabling stakeholders to compare the performance of energy retailers and distributors across jurisdictions.

<sup>5</sup> "National Energy Retail Performance Indicators-Discussion Paper", Utility Regulators Forum, Steering Committee on National Regulatory Reporting Requirements-Retail Working Group, March 2006. Released on a number of regulators' websites and available from the Essential Services Commission of SA (ESCOSA website) at [www.escosa.sa.gov.au/site/page.cfm?u=150&c=1663](http://www.escosa.sa.gov.au/site/page.cfm?u=150&c=1663).

<sup>6</sup> Whilst few retailers are currently offering dual fuel contracts in the strict sense of the term (i.e. a single contract covering the sale of both fuels), many retailers are offering contracts enabling the sale of electricity and gas by the same retailer.

- add additional affordability indicators for both electricity and gas retail.

In addition, an approach to achieving greater consistency in complaints and call centre reporting was discussed, with a draft national complaints' reporting guideline attached to the Discussion Paper for comment.

In the current climate of national energy reform it was decided to limit the scope of the review of performance indicators as much as possible. However, the expansion of the indicators to include gas, greater clarification of definitions and improved affordability indicators, is designed to enhance consistency in reporting and enable better comparison to be made between retail fuel sectors across jurisdictions, and consequently to assist in the transition to the national energy regulatory framework.

Fifteen submissions were received from retailers, Ombudsman and Dispute Handling Bodies and consumer groups as follows:

- Retailers – TRUenergy, AGL SA, Aurora Energy, Country Energy, EA-IPR Retail Partnership, Energex Retail, EnergyAustralia, Integral Energy, Ergon Energy and Origin Energy.
- Ombudsmen – Australian & New Zealand Energy and Water Ombudsman Network (ANZEWON).
- Consumer Groups – Consumer Utilities Advocacy Centre & Consumer Law Centre Victoria (CUAC), ACT Essential Services Consumer Council (ESCC), Tasmanian Council of Social Services (TasCOSS), and ACT Council of Social Services (ACTCOSS).

Copies of these submissions were placed on the Essential Services Commission of South Australia (ESCOSA) website in early July 2006.

In proposing the changes outlined in this Final Paper, the following considerations have been taken into account:

- there are problems that have been encountered with consistency in reporting and comparing performance across the jurisdictions, and it is considered necessary for these inconsistencies to be addressed in the short-medium term. Retailers have regulatory obligations and in most cases the indicators sought should be consistent with retailers' obligations to report on compliance.
- the publishing of performance data may assist customers to consider which retailer might best serve their overall needs.

Notwithstanding the above, efforts have been made to limit the extent of any changes until a more thorough review by the new regulatory bodies (the AER and the AEMC) can be undertaken.

As outlined in the Discussion Paper, the objective of this process is to gain agreement to apply further consistency to the data collected by regulators for national reporting purposes to the

maximum extent possible across the jurisdictions. The ultimate decision as to whether or not the changes proposed in this Final Paper are adopted by individual jurisdictions will continue to be made by the relevant jurisdictional regulator.

Consequently, this Final Paper by itself does not represent a direction for retailers to amend the operational performance reports currently provided to regulators. Each jurisdictional regulator will now have the opportunity to review their retailer information specifications and consider amending them to make them consistent with the findings of this Final Paper. It is recommended that amended specifications would be in place to enable reporting to commence from the 2007/08 financial year.

## 2 Revised Template Definitions

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This section considers the issues raised in submissions concerning proposed revisions to the current definitions in the national retail template.<sup>7</sup> The revisions are considered warranted to provide further clarification to retailers, in order to enhance consistency in reporting.

### 2.1 Telephone Service

#### 2.1.1 Issue

***Issue 1***

***Comment was sought on:***

- ***The proposed changes to the telephone service indicators, particularly if there are any implementation problems with the proposal.***
- ***The proposed removal of the ‘number of overload events’ indicator.***

The Discussion Paper outlined a proposal to retain the basic telephone responsiveness definition, but confine it to reporting on the performance of calls to an operator, i.e. recording the number and percentage (%) of calls forwarded to an operator that are responded to within 30 seconds by an operator. Calls responded to by an Integrated Voice Response (IVR) system, other than when the option to talk to an operator is selected by the customer, would no longer be monitored. As a result, it would be referred to as the ‘operator responsiveness’ indicator, to avoid its scope being misinterpreted should it continue to be referred to as a ‘telephone responsiveness’ indicator.

Where IVR systems are used, recorded time would be from when the caller selected the operator option until an operator picked up the call to deal with the inquiry.

Further the following proposals were made:

- the total number of calls should include the number of abandoned calls;
- the percentage of calls abandoned indicator would not be changed;
- the ‘average waiting time before a call is answered’ indicator would record the average time before an operator answered the call. As indicated above, where a IVR system is used, the average time should be calculated from when the caller selects the operator option; and

<sup>7</sup> References to the national retail template relate to the information requirements summarised in Attachment 3 of the March 2002 Report, as revised by this Final Paper.



- remove the 'number of overload events' indicator, as such events are generally rare for retailers and are more relevant for distributors following a significant outage.

### Telephone Service Indicators

Three retailers (Country Energy, Energex Retail and Integral Energy Australia) and a number of consumer groups and ANZEWON either supported, or indicated that they could easily accommodate, the proposed revisions to the telephone responsiveness indicator.

ACTCOSS considered that the number of abandoned calls should continue to be reported. With a high take-up rate of prepaid mobile phones among low income households, ACTCOSS suggested that it can be anticipated that a higher number of calls will be abandoned if people are required to wait for a response, or be passed between automated and personal response systems.

The ESCC did not support the proposal because, in their view, customers measure their experience of phone contact with an energy retailer from the time they dial the number, to the time they get a meaningful result.

The ESCC believes that the implication of the proposed measure is that if customers are subject to a call directing system that is long, confusing, or in some other way difficult, before they finally achieve the result of talking to an operator, this experience would not be captured. The performance indicator should be focussed on calls to operator, but the timing should commence from the beginning of the call, as this will more closely reflect the actual experience of the customer.

AGL SA agreed that monitoring the proposed telephone 'operator responsiveness' indicator would provide a more consistent and comparable KPI across retailers and jurisdictions, but argued that excluding IVR handled calls from the '% of calls responded to within 30 seconds' indicator would result in considerably increased costs. AGL SA suggested that further investigation of this matter would be required, and clause 2.2.2 of the SA Energy Retail Code would need amendment.

Other comments made were:

- Some retailers have higher standards than proposed (eg Aurora Energy currently targets performance to a level of 80% within 20 seconds); therefore a parallel reporting system would be required to meet the prescribed service standards.<sup>8</sup>
- Origin Energy agreed that the telephone responsiveness indicator (percentage of operator calls responded to within 30 seconds) should be calculated using the total number of customers who selected an option to speak to an operator, as opposed to the 'total number of telephone calls'

<sup>8</sup> The Office of the Tasmanian Energy Regulator (OTTER) has subsequently advised that they are in the process of revising this KPI to make it consistent with other jurisdictions (i.e. calls responded to within 30 seconds).

- TRUenergy did not consider that the monitoring of telephone services was appropriate in a competitive market. However, if the indicator was to be retained, further clarification was required on the definition of which automated calls would be excluded.

Further, TRUenergy recommended that all automated calls (other than to automated payment lines) be included, because retailers that automate a high proportion of simple enquiries are likely to (misleadingly) report lower response times than other retailers, due to their operators dealing disproportionately with complex enquiries.

### Removal of Overload Events

Most retailers, ANZEWON and consumer groups were supportive of the proposal to remove the overload events indicator.

CUAC & CLCV noted that many customers are not aware of the distinction between the distributor and retailer in relation to reliability issues, but agreed that this was not a matter which should reflect on the retailers' performance.

Integral Energy did not support the proposed removal of the number of overload events indicator, as it argued that network overload events do impact on a retailer's call centre performance, as customers call any available number to access information. Integral reported an increasing number of calls from customers outside its distribution area when they are unable to find the relevant details for their own distributor.

### **2.1.2 Comment**

#### Telephone Service Indicators

As emphasised in the Discussion Paper, it is recognised that many retailers have made effective use of IVR systems, and it is not intended to devalue the improvements in customer service that such systems have created. The proposed amendments to the reporting requirements are intended to focus reporting on aspects of telephone responsiveness that are most likely to cause concern to customers.

Overall, there appears to be support for the proposal to record the number and percentage (%) of calls forwarded to an operator that are responded to within 30 seconds by an operator. However, the following issues are noted:

- AGL SA is concerned that the implications will be to increase the service standards applying to its business in SA. These concerns may be valid, but this Discussion Paper addresses the reporting of indicators, not the specific service standards in particular jurisdictions. The SA jurisdictional regulator (ESCOSA) will need to consider how best to deal with this issue if the national reporting requirements are agreed and adopted within that jurisdiction.
- The ESCC position that customers measure their experience of phone contact with an energy retailer from the time they dial the number, to the time they get a meaningful result, is understood. However it is considered that it might be difficult for any automatic telephone recording system to keep track of the time taken for a customer to traverse a number of areas within a call centre. The objective is to develop indicators that are not too costly to

collect, but are still able to provide a good indication of retailer performance in the relevant area.

- Both the EA-IPR Retail Partnership and Origin Energy made definitional suggestions which have been adopted

Accordingly, this Final Paper has adopted the following variations to the indicators:

- the total number of calls to an operator will be reported, rather than total calls received by the call centre;
- the total number of calls to an operator will include the number of calls abandoned, in the case of IVR systems after the caller has selected the operator option;
- the percentage of calls abandoned indicator will measure the number of calls to an operator that were abandoned (as opposed to the total number of calls received by the call centre that were abandoned), in the case of IVR systems after the caller has selected the operator option.

It is considered appropriate that all calls to an operator/customer service officer be monitored, including sales. However, calls received by third parties, such as contractors or marketing agents acting on behalf of a retailer, would not be included as the primary focus is on the direct performance of the retailer

#### Removal of Overload Events

Most submissions supported the proposal to remove the overload events indicator from the national template. It is noted that two submissions referred to the problem of distribution overload events and that this issue needs to be addressed elsewhere.

#### **2.1.3 Final Position**

Following consideration of issues raised in submissions, the national retailer performance template will require:

- the basic telephone responsiveness definition to be retained, but confined to reporting on the performance of calls to an operator, i.e. recording the number and percentage (%) of calls forwarded to an operator that are responded to within 30 seconds by an operator, to be referred to as the 'operator responsiveness' indicator;
- the total number of calls indicator to report the total number of calls to an operator;
- the total number of calls to an operator indicator to include the number of abandoned calls to an operator;<sup>9</sup>

<sup>9</sup> In the case of retailers with an IVR system, would exclude any calls abandoned before the customer indicated they wished to speak to an operator.

- the percentage of calls abandoned indicator to measure the number of calls to an operator that were abandoned;
- the ‘average waiting time before a call is answered’ indicator to record the average time before an operator answered the call. Where an IVR system is used, the average time should be calculated from when the caller selects the operator option; and
- removal of the ‘number of overload events’ indicator.

The National Energy Retail Template provided as Appendix 2 incorporates a definitions attachment.

## **2.2 Complaints**

### **2.2.1 Issue**

#### ***Issue 2***

##### ***Comment was sought on:***

- ***The proposed definition of a complaint.***
- ***The draft complaints guideline (Appendix 1).***
- ***The revision of complaint indicators including the proposed categorisation.***

The Discussion Paper outlined a proposal to:

- Adopt a revised complaint definition of “*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.*”<sup>10</sup>
- Develop a “National Reporting Guideline – Complaints”, to assist retailers’ frontline staff to identify and categorise complaints and enquiries in a consistent manner.
- Expand the number of complaint categories from two to four, with the new categories being billing complaints, marketing complaints, transfer complaints and other complaints.
- Report complaints separately under residential and non-residential categories.
- Collect an additional complaint indicator of “Total number of customer complaints contacts”.

<sup>10</sup> Based on International Standards Organisation (ISO) definition of complaint - ISO 10002.

### Complaint Definition

Many retailers either supported, or indicated that they could easily accommodate, the proposed revisions to the complaints indicator. Integral, while supporting the proposed definition of a complaint, however expressed concern at the associated costs of implementing such a change.

ANZEWON supported the proposed definition of a complaint, particularly the reference to ISO 10002. Consumer groups also supported the proposed definition of a complaint considering that it would – with appropriate guidelines and training of call centre staff – result in a more accurate record of customer dissatisfaction and promote competition by comparison.

However, some retailers did not support the proposed definition:

- EA-IPR considered that there remained a level of subjective judgement required to interpret and implement the proposed definition, and that the degree of consistency (between and within retailers) in reporting could be compromised as a result. In its view, the indicator should be removed all together.
- Ergon Energy considered greater clarity would be achieved by adopting the ISO 10002 definition of a customer complaint: “any expression of dissatisfaction with a product or service offered or provided”. This revised definition would need to be used in conjunction with a generally accepted definition of ‘frivolous and vexatious’ when considering whether a complaint merits inclusion in a retailer’s compliance report.
- TRUenergy suggested that customer calls only become complaints if they are not able to be resolved by call centre staff. Otherwise, the majority of calls would be categorised as complaints, which in addition to misleading, would lead to a large increase in current reporting levels and require significant and costly changes to internal systems to be able to be captured.

### Complaints Guideline

Aurora Energy, Country Energy, Energex Retail, and ANZEWON supported the draft Complaints Guideline attached to the Discussion Paper, as a means of clarifying the difference between an enquiry and a complaint (refer Appendix 1 to this Final Paper).

However, TRUenergy suggested that further work is required and that an industry working group be established to assist to develop a better understanding of the distinction between enquiries and complaints across retailers, prior to implementation of the proposed complaint definition.

The ESCC and TasCOSS also considered that better explanations could be provided in the guideline to illustrate how to categorise the complaints in according with the proposed definition.

### Revision of Complaints Indicator

Country Energy, CUAC and CLCV supported the proposed revision of complaint indicators and the complaints categories (and further disaggregation between Residential and Non-Residential customers). Other retailers supported the disaggregation of residential and non-residential customer complaints to reflect market developments, but not the proposal to record both complaint contacts and the number of complaints for the following reasons:

- retailers have no control over how, or why, a customer contacts a retailer, and as such, the additional information would not provide a true reflection of the efficiency and effectiveness of the complaints handling system
- some retailers considered that reporting the number of contacts - in addition to the number of complaints - may impose additional costs on industry through potential system enhancements, and questioned the benefit to industry of this additional data.

AGL SA also disagreed with the proposal to require further categorisation between residential and non-residential customers, as monitoring changes in Energy Ombudsman statistics is considered a more effective measure of customer dissatisfaction.

Aurora Energy reported that its systems were structured to support the recording of the required information, however modifications would be required to cater for the proposed categorisations (business and non-business; and complaint numbers/customer contacts). Integral Energy considered that 'faulty meters' should not be included as a billing complaint as meters are not owned, or maintained by retailers.

ANZEWON also considered the expansion of categories of complaints as helpful and proposed additional clarity to some definitions, including transfer complaints:

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

### **2.2.2 Comment**

#### Complaint Definition

The submissions received on the proposed complaint definition indicates the difficulty in achieving consensus in this area, and reasons why there have been inconsistencies in the complaints indicator reported by regulators.

No approach will be totally free from a subjective element. Even TRUenergy's approach of only defining customer contacts as complaints if they cannot be resolved by call centre staff (the current definition used in SA) still relies on an operator assessment that the issue has been successfully resolved. It is argued that adopting an international standard definition is an appropriate approach towards achieving greater consistency.

As suggested by one retailer, the new complaint definition may result in an increase in the total number of complaints reported. However, the use of this definition more accurately reflects complaints' numbers. It will be necessary to have regard for such a consequential outcome when reviewing trends in data, but after a few years a trend will be established with the new data. The Working Group considers it more important to achieve a consistent and reliable data set at this time.

As suggested by some retailers, an option would be to rely on Ombudsman complaints data. However, the cases dealt with by the Ombudsman offices are significantly less than the total number of complaints received by retailers. The question is whether such a subset of complaints would provide a sufficient indication of the overall level of activity in this area. Many jurisdictions are currently reporting both sets of complaints data.

An amendment will be made to the definition to address the issue raised by Integral Energy, to remove reference to faulty meters.

### Complaints Guideline

The development of a Complaints Guideline is a further attempt by the Working Group to resolve continuing practical application issues in the identification and the reporting of complaints. It was therefore pleasing to note general support expressed in submissions for the Complaints Guideline. TRUenergy was the only retailer advocating further development through an industry-working Group, although some consumer groups suggested increased clarity in the case studies.

Whilst some of the suggestions made in submissions for enhancing the Guideline have been addressed by the Working Group in finalising the attached Complaints Guideline (refer Attachment 1), it is now considered important that the Guideline be available for use as soon as possible. Its use will be monitored and the Guideline updated as required to address its practical application.

### Revision of Complaints Indicator

There appears to be general support for the four billing categories. The suggestions made for clarifying the definitions have been adopted.

It is considered important that complaints be categorised according to residential and small business, in order to gain a better appreciation of the key customer groups that are making complaints.

A number of the submissions raised concern with the proposed additional complaints indicator of 'total number of customer complaints contacts'. This indicator was designed to indicate the level of multiple complaints for each contact, to enable a customer count to be derived. However, in view of the level of concern raised in submissions and that customer complaint information is still being collected, this additional indicator will not be adopted at this time.

### 2.2.3 Position

Whilst noting that there were a number of submissions proposing alternative approaches to complaint definition, given the level of support received for the proposed change and that the alternatives raised were not without their own issues, the following complaint definition (as proposed in the Discussion Paper) is supported for the adoption by jurisdictional regulators for the national reporting template:

*“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 new complaint categories are:<sup>11</sup>

- **Billing/Credit complaints**<sup>12</sup>: means a complaint regarding overcharging, prices, payment terms and methods, and debt recovery practices. This category may include 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, but is not limited to these examples.
- **Marketing complaints**: means a complaint associated with a retailer’s actions in seeking to sign up a small customer for a market contract, and may include matters such as the nature of the approach or conduct, advertising campaigns, contract terms, sales techniques and misleading conduct, but is not limited to such examples.
- **Transfer complaints**: means a complaint associated with the financial responsibility for a customer’s NMI or MORN being transferred to a market contract with either an existing or new retailer and may include, but is not limited to, failure to transfer 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).
- **Other complaints**: means any complaints about the quality and timeliness of retail service, other than a billing complaint, marketing complaint or a transfer complaint. Examples include poor service, privacy consideration, failure to respond to complaints, and health and safety issues.

The complaints data should be disaggregated under residential and non-residential categories.

The proposed ‘total number of customer complaint contacts’ indicator will not be collected.

Whilst the Complaints Guideline will be formally released to retailers together with revised jurisdictional information specifications, the URF would encourage the earlier adoption of the Guideline as provided in Appendix 1 of this Final Paper.

<sup>11</sup> These are minimum reporting requirements for retailers in respect of reporting complaints. Where a regulatory authority seeks additional information from retailers this will be expected to be provided in addition to the information collected and reported as part of this process.

<sup>12</sup> Already collected for electricity, for the national reporting template.



## **2.3 Direct Debit Payment Defaults & Instalment Plans**

### **2.3.1 Issue**

#### ***Issue 3***

#### ***Comment was sought on:***

- ***The proposed changes in the definition of Direct Debit Payment Defaults and Instalment Plans.***
- ***The appropriateness of the proposed working definition for the instalment plan indicator, of at least three instalments.***

The Discussion Paper outlined a proposal to:

- Amend the direct debit payment default indicator to report the ‘number of direct debit plans terminated as a result of default/non payment’.

This definition would exclude the termination of direct debit payment plans by choice, such as where a customer elects to move to a different payment option. It would generally require a default or rejection to occur in two successive payment periods, to reflect as far as possible true default on payments, rather than an error or a transitory shortfall.

- Retain the current definition of instalment plan, but to provide the following guidance:
  - the definition should state that instalment plans are generally considered as plans involving at least three (3) instalments. In the past, some retailers have incorrectly reported “extensions to payment due date” against this indicator;
  - the definition should acknowledge that the plans enable customers to make payments in instalments, by arrears or advance, taking into account their capacity to pay; and
  - the key point is that the arrangements enable the customer to continue to receive supply and avoid disconnection.

#### **Direct Debit**

There was a mixed response received in submissions to the direct debit indicator proposal. AGL SA, Origin Energy, Country Energy, Energex Retail, TRUenergy and ANZEWON supported the proposed change, whilst Integral questioned the merit of the indicator as a measure of hardship.

Aurora Energy identified some practical systems issues for it, but did not indicate opposition to the proposal, and other retailers sought further clarification on relatively minor matters.<sup>13</sup>

CUAC & CLCV recommended two new indicators for Direct Debit Payment Defaults to better capture the seriousness of this consequence for consumers:

- number and percentage of customers who default on direct debit payments; and
- number and percentage of direct debit plans terminated as a result of default/non payment.

The following issues were raised by consumer groups:

- The ESCC considers that industry practice varies in relation to when a plan will be terminated for default and that this will impact on the effectiveness of the proposed indicator as a comparative measure of financial stress.
- TasCOSS did not support the proposal and advocated that the current indicator is maintained. TasCOSS stated its belief that direct debit defaults are a clear indicator of financial stress, and as such, the number and percentage should continue to be recorded. In addition, a new indicator should be introduced to monitor the number and percentage of Direct Debit Plans that are terminated as a result of repeated defaults, noting that different retailer practices for cancelling Direct Debit arrangements will impact on this indicator.
- ACTCOSS argued that whilst direct debit payment defaults are one proxy measure for financial distress, there are other indicators of personal financial stress - the number of people asking for instalment plans to cover utility debt, the length of time in debt and consumers requesting time to pay which would serve as a better indicator of financial distress.

In ACTCOSS' view, for many people using this facility, financial distress can be assumed without reference to defaults. ACTCOSS argues that more details of how many people are asking for such payment options, including time to pay, would be a better indicator of financial distress.

### Instalment Plan

AGL SA, Origin Energy, TRUenergy, Country Energy, Energex Retail and ANZEWON either supported, or indicated that they could easily accommodate, the proposed revisions to the

<sup>13</sup> TRUenergy sought clarification to confirm that the direct debit indicator includes all direct debit arrangements; AGL SA suggested that the indicator be renamed to 'Direct Debit Cancellations – as a Result of Defaults', to better identify its intent; Integral sought clarification as to whether the indicator would cover Centrepay arrangements.

instalment plan indicator.<sup>14</sup> Energex Retail and Aurora Energy considered that a clearer definition was required, which needed to accompany the relevant reporting template.<sup>15</sup>

EnergyAustralia does not necessarily see the instalment plan indicator as a measure of disadvantage and that the more complex reporting requirements become, the less likely it is that comparable information would be provided by different retailers.

Stakeholders expressed contradictory views on how an instalment plan should be defined as follows:

- Integral Energy considered the definition of instalment plan should be ‘more than one payment’ as it would be easier to track the indicator with such a definition than that proposed.
- The ESCC agreed that the definition should be ‘more than one payment’ and therefore involve at least two instalments, not three as proposed.
- On the other hand, TasCOSS, CUAC and CLCV supported the proposed definition of an instalment plan as involving at least three payments. Further the following additional indicators should be monitored:
  - the number of payment extensions granted by retailers to capture those consumers experiencing at least short term financial stress and affordability problems
  - the number and percentage of customers who receive agreed extensions to payment due date
  - the number and percentage of customers on instalment plan arrangements, defined as three instalments or more.

<sup>14</sup> TRUenergy considered that in the proposed National Energy Retail Template (Appendix 2) more detailed descriptions are required in the bottom rows of each table to indicate on what base the percentage is to be calculated. Whilst clear in table 1, that the percentage base is calculated on the total number of residential and non-residential customers respectively, it is unclear for the direct debit and disconnection tables. This drafting will be addressed in the final document.

<sup>15</sup> Aurora Energy suggested that the proposed definition of an instalment plan be clarified to address and further emphasise both continued usage and recovery of arrears, as simple extensions to due dates can involve three or more instalments.

### **2.3.2 Comment**

#### Direct Debit

As with any indicator, trade-offs are required in gaining information without imposing too great a cost impost on retailers. In this area it is considered that only a single national indicator is appropriate.

The termination of a direct debit as a result of non-payment is considered an unambiguous indication of financial stress. As in the case of disconnections, the fact that the retailer has cancelled the arrangement due to non-payment indicates that a serious situation has occurred.

A default may occur due to an oversight or mismanagement on behalf of the customer, and does not unambiguously mean the customer is facing a generally financially stressed situation (e.g. in the case where a transfer of funds between accounts was not undertaken by the customer in time for sufficient funds to be available in the nominated financial institution account).

All terminations would be included, including those relating to Centrepay. The issue is that an arrangement has been cancelled due to non-payment, regardless of what account or institution the money was to have been debited from.

The fact that retailers may have different termination rules is not seen as critical to the usefulness of this indicator. For example, if one retailer were to terminate an arrangement after only one default, then this should become clear with a higher termination rate being reported for this retailer. The impact on the customer will be the same, i.e. has faced an arrangement being terminated.

#### Instalment Plan

Again, it is considered that trade-offs are required in gaining information without imposing too great a cost impost on retailers. At this time, as we move towards a national regime, it is considered that only a single national indicator is appropriate.

The instalment plan indicator is an important indicator when reviewed in conjunction with disconnection indicators. For example, an increase in instalment plans could be considered a favourable trend, given the assistance such plans can provide in avoiding disconnection.

Whilst the emphasis is on instalment plans to ensure continued electricity and/or gas supply rather than short term budgetary issues, not all retailers will necessarily be able to easily link the nature of the instalment plan arrangement. Most stakeholders support the definition proposed for consultation. Thus, the Working Group has adopted the practice of requiring the reporting of a plan that requires 3 or more instalments, as experience has indicated that such plans are generally a good indication of financial hardship.

In its submission Integral Energy also considered that there should be consistency between the proposed NSW Hardship Policy and the proposed instalment plan definition and indicator. It is

understood that the issue relates to the decision that the direct debit indicator not be collected in NSW and, as indicated in section 7, the decision rests with the individual jurisdictions on whether all the indicators proposed in this paper are adopted in a jurisdiction.

### **2.3.3 Position**

Following consideration of issues raised in submissions, the national retailer performance template will require:

- Amendment to the direct debit payment default indicator to report the ‘number of direct debit plans terminated as a result of default/ non payment’.

This definition would exclude the termination of direct debit payment plans by choice, such as where a customer elects to move to a different payment option. It would generally require a default or rejection to occur in two successive payment periods, to reflect as far as possible true default on payments, rather than an error or a transitory shortfall.

- the current definition of instalment plan to be retained as:

*“An arrangement between a retailer and a customer for the 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.”*

but with the following guidance provided:

- the definition should state that instalment plans are generally considered as plans involving at least three (3) instalments;
- the definition should acknowledge that the plans enable customers to make payments in instalments, by arrears or advance, taking into account their capacity to pay; and
- the key point is that the arrangements enable the customer to continue to receive supply and avoid disconnection.

### 3 Proposed New Affordability Indicators

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This section considers the issues raised in submissions concerning proposed additional affordability information concerning disconnections and reconnections to be collected from retailers.

#### 3.1 Issue

***Issue 4***

***Comment was sought on the proposed changes to affordability indicators.***

The Discussion Paper outlined a proposal to collect the following additional affordability information from retailers, for residential customers only:

- ***Disconnection of customers previously on a budget instalment plan***
- ***Reconnection in the same name of customers previously on a budget instalment plan***
- ***Disconnections in the same name and address within past 24 months***
- ***Reconnection in the same name and address within past 24 months***
- ***Disconnections of Concession card customers***
- ***Reconnection in the same name of Concession card customers***

The following submissions were received:

- Country Energy and Aurora either supported, or indicated that they could accommodate the proposed new affordability indicators given sufficient lead-time.
- Other retailers supported the concepts in principle, but noted some practical concerns:
  - Energex Retail did not support the collection of data over a 24 month period due to the difficulty of tracking a customer for such an extended period of time. The proposed data should be collected over 12 months to coincide with current system and process capabilities.
  - Integral Energy expressed concern with tracking customers receiving a pension, but not a concession, (e.g. New Start Allowance).

AGL SA suggested that the Working Group should be mindful of the time and costs associated with producing detailed reports if the recently adopted Victorian disconnection indicators were applied nationally.

Energy Australia, Origin Energy and TRUenergy do not support the proposed new affordability indicators. Origin Energy suggested that there are no objective characteristics of 'hardship', and as such, no 'robust' definitions or indicators exist. TRUenergy considered that more work is required to understand how the measures are to be interpreted before extending to other jurisdictions. For instance, the retention of reconnection in the same name indicators, as a proxy measure of financial hardship, was of concern as those customers who can afford to pay, but for whatever reasons have not done so, will arrange for reconnection immediately after disconnection.<sup>16</sup>

EnergyAustralia stated its preference for the introduction of affordability indicators currently being developed by the NSW Minister for Energy (and the associated working group). EnergyAustralia stated concern with the proposal arguing that such statistics were unlikely to shed light on affordability, and rather, would complicate any analysis and interpretation of the same name reconnection data.

ANZEWON supported the introduction of a wider variety of affordability indicators, in particular the indicators relating to the disconnection and reconnection of concession card customers.

CUAC & CLCV welcomed the initiative to introduce new affordability indicators, however believed some aggregated information about levels of arrears was necessary to provide an understanding of the affordability problem. As such, CUAC & CLCV proposed additional indicators on debt levels to allow regulators and governments to better tailor effective responses to affordability problems, specifically:

- the number of customers owing debt of certain amounts, (e.g. less than \$100; \$100-\$200; \$200-\$400; greater than \$1,000).
- cross-reference against the current disconnection and reconnection indicators the debt levels for customers who have been subject to disconnection (to be grouped as above).

The ESCC expressed substantial difficulties with the affordability indicators (both current and proposed), as follows:

<sup>16</sup> TRUenergy also stated that South Australia, unlike other jurisdictions, does not allow retailers to register beneficiary (temporary) concession card numbers in the billing system. Consequently, any such customers disconnected are unlikely to be identified as a concession cardholder at the time of disconnection. This matter has been raised previously with ESCOSA, however the proposed remedy (by referring to either a CYFS provided list of beneficiaries or the customer's status at the most recent billing cycle) is unlikely to generate an accurate measure. This matter should be addressed as part of the current review process.

- the indicators are fundamentally flawed as they seek to measure the question of affordability from the supply side only in the absence of any demand side balancing;
- the indicators merely report a set of events to fulfil regulatory requirements;
- the indicators exist in isolation, with no apparent connection to causality (simply recording numbers of disconnections/reconnections etc) and no examination of underlying issues; and
- the indicators exist with no acknowledgement of any responsibility, on the part of those reporting, to do anything about the lack of affordability of energy for low-income consumers.

The ESCC stated its belief that, at the very least - along with the current and proposed indicators - there should be:

- recording and tracking of debt levels, payment extensions and debt repayment arrangements (these are equally as important as disconnections when talking about affordability);
- evidence that payment arrangements are appropriately assessed by the energy retailer's representative, and are not in fact unaffordable (a definite possibility if people can't pay in the first place);
- recording of household makeup, eg. number of residents and income levels where payment extensions/debt repayment arrangements/disconnections occur (balancing data reporting against privacy considerations);
- recording of percentages of debt to income ratio for households where this information is available (data which may be obtained elsewhere);
- explicit information about connecting households experiencing payment difficulties, broken payment arrangements and disconnections to appropriate assistance agencies such as the ESCC. ;
- monitoring of the number of households that switch to pre-payment meters and, where possible, reasons for switching;
- recording the incidence of payments by a third party, eg. EAP vouchers, charities;
- recording the number of households accessing assistance from industry ombudsman schemes or equivalent mechanisms such as the ESCC;
- transparency of data gathering and provision of trend data to industry ombudsman schemes (and equivalents) and to key community sector stakeholders on a regular basis; and
- development from the indicators of a comprehensive strategy to address the issues of fuel poverty.

TasCOSS supported the introduction of additional affordability indicators, however, expressed concern that pre-payment meters would not be captured in the proposed statistics. Given that



approximately 15% of Tasmanian households currently use a type of pre-payment meter that cannot record self-disconnection at all, leaving a significant number of consumers out of the affordability indicators, it is considered imperative for the URF to urgently develop affordability indicators to capture the experiences of consumers with pre-payment meters.

TasCOSS also considered that information should be collected on the levels of debt owed by consumers to energy retailers..

CUAC, CLCV and TasCoss all expressed concerns with the practicalities of obtaining information about whether a customer is a Concession Card holder or not, as not all jurisdictions offer energy related concessions and different concession systems apply in different jurisdictions.

ACTCOSS commented that financial distress (e.g. as measured by the level of disconnections) should not be used as a proxy for basic affordability and that Regulators need to examine the cost of utilities in relation to known income data, as a more objective benchmark for discussion and analysis of affordability.<sup>17</sup>

### **3.2 Comment**

As discussed above, for any indicator, trade-offs are required in gaining information without imposing too great a cost impost on retailers. The URF is attempting to derive a simple set of indicators that alert the extent to which problems may exist, or be emerging. This relies as much on monitoring changes in the level of indicators over time, as to the level of an indicator at a particular point in time.

While consumer groups provided good insights into the additional measures which could assist to monitor financial hardship over time, they would impose a significant cost burden on retailers if required to report against those measures on a routine basis. Rather than requiring routine statistics to be provided by retailers, there may be merit in specific affordability studies being undertaken. This would be a matter for the individual jurisdictions in the short term.

As indicated in the Discussion Paper, the additional disconnection indicators are designed to better reflect potential financial hardship factors. These additional indicators have already been adopted in Victoria and SA. Remaining State and territory regulators will now determine whether they will adopt these indicators, in order to be able to report to the national template.

A number of practical issues have been identified in submissions and, whilst jurisdictions will have the discretion to refine the indicators within each jurisdiction, the following broad approaches are proposed:

<sup>17</sup> ACTCOSS raised a specific concern about disconnection/reconnection as an indicator of affordability in the ACT, given the powers of the Essential Services Consumer Council to order a utility not to disconnect a service while the case is considered by the Council (ESCC), suggesting that the outcome could be a lower rate of disconnections in the ACT, and that this could provide a false indicator of affordability.

- A broad definition to cover customers on government-funded rebates will be adopted, to address the difficulties in reporting concession card customers in some jurisdictions.
- A period of 24 months for the relevant indicators will be retained, as this is the time period already adopted in Victoria and SA, and it is considered that a period greater than 12 months is warranted in order to develop some customer history (given the time it can take to process each disconnection from the time from when the relevant bill was first issued to when a disconnection is effected)<sup>18</sup>.
- SA has commenced trialling indicators for prepayment meters, noting that in SA the approved meters can record customer self-disconnections. At this stage, the use of such pre-payment arrangements are limited (Tas. and SA) and adopting national pre-payment meter indicators will be considered in a subsequent review of national performance indicators.

### **3.3 Position**

Following consideration of issues raised in submissions, the national retailer performance template will require the following additional disconnection and reconnection indicators to be collected and reported, for residential customers only:

- ***Disconnection of customers previously on a budget instalment plan***
- ***Reconnection in the same name of customers previously on a budget instalment plan***
- ***Disconnections in the same name and address within past 24 months***
- ***Reconnection in the same name and address within past 24 months***
- ***Disconnections of Government funded rebate customers***
- ***Reconnection in the same name of Government funded rebate customers***

<sup>18</sup> Recently, a NSW Working Group on disconnections recommended that these indicators be measured over a 12 month period. It will be up to individual jurisdictions to decide over what period these indicators should be measured.

## 4 Performance Indicators – Gas Sector

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This section considers the issues raised in submissions concerning the proposal to expand the performance indicators to include the gas retail sector.

### 4.1 Issue

***Issue 5***

***Comment was sought on the proposed inclusion of gas in the national retail template.***

The Discussion Paper outlined a proposal to collect the full set of electricity retail indicators, including definitions, from gas retailers.

Nearly all submissions received supported the proposal. However, Energex Retail expressed concern with the requisite system upgrades and increased business costs.

Aurora Energy raised concern that performance indicators for individual retailers could provide market intelligence for competitors, and as such, collected data should be treated as commercial-in-confidence and not made publicly available.

ACTCOSS supported information being provided on gas to give some basis for analysis on energy affordability, citing research that households prioritise electricity over gas in terms of disconnections.

### 4.2 Comment

This was an area where strong support was received for the Discussion Paper proposals.

In relation to the concerns expressed by Aurora Energy, the treatment of commercial-in-confidence issues for individual retailers will be a matter for the relevant jurisdictional regulator. If such concerns exist in the early stages of market development, then options such as reporting state totals may be an option. However, in general it is seen as desirable for as much information as possible to be available in a competitive market, to enable potential customers to make an assessment of performance.

### 4.3 Position

Following consideration of issues raised in submissions, the national retailer performance template will require the full set of electricity retail indicators (including definitions) to also be reported for gas.

## 5 Categorisation by Fuel Type

This section considers the issues raised in submissions concerning the proposal to ensure greater consistency in reporting by providing guidance on the categorisation of indicators by fuel type.

### 5.1 Issue

#### **Issue 6**

#### **Comment was sought on:**

- ***The proposed introduction of electricity, gas and dual fuel categories.***
- ***Whether telephone service or other indicators should be reported nationally on the basis of a generic energy category.***

The Discussion Paper outlined a proposal to:

- Adopt an additional category of dual fuel, such that for the majority of retail performance indicators, performance data would be reported against electricity, gas or dual fuel categories.
- Tailor the specific definition of 'dual fuel' to the particular indicator, with the dual fuel category defined as follows:
  - dual fuel category*** captures performance data involving:
    - 1) customers holding a 'dual fuel contract'<sup>19</sup>; and /or
    - 2) any marketing complaint involving the offer to supply both gas and electricity during one marketing contact.
- Adopt a single generic energy category for reporting on call centre performance.

#### Additional Dual Fuel Category

Aurora Energy, Country Energy, EA-IPR Retail Partnership, Energex Retail, Origin Energy, Energy Australia and TasCOSS supported the introduction of electricity, gas and dual fuel

<sup>19</sup> Dual fuel contract is defined as an energy contract for the sale of electricity and for the sale of gas by a retailer to a customer, with some jurisdictional retail codes also defining it to include two energy contracts between the same customer and the same retailer, one an electricity contract and one a gas contract, under which a single bill or simultaneous bills are issued. A key point for indicators that would employ a dual fuel category, other than marketing complaints, is that merely having both fuels purchased from the same retailer is not sufficient to be classed as dual fuel; there is a need for a contractual link between the two fuel types.

categories. It was noted that the reporting template would need to be clear so that categorisation was relatively simple.

Origin Energy supported the view that it is not sufficient to classify 'dual fuel' on the mere fact that both fuels are being purchased from the same retailer, and that, rather, a direct contractual relationship is required.

The EA-IPR Retail Partnership, however, considered that there may be confusion with the 'dual fuel' definition requiring a direct contractual relationship between the retailer and the customer, as a caller may be a customer of a retailer for one fuel type, but calls in relation to two fuel types, (i.e. calls to take up a gas offer, or a combined electricity and gas offer). In these circumstances, the call would not be captured under the proposed definition.

EA-IPR Retail Partnership also suggested that customers should be left to choose the relevant category themselves using IVR systems to produce more consistent data.

TRUenergy supported the introduction of a dual fuel category for complaints. However, it did not support the reporting of disconnections under a dual fuel category, as there is no dual fuel meter rules outlined in the Discussion Paper were considered complex and arbitrary. TRUenergy suggested that the dual fuel category would create anomalies with respect to the proposed new affordability indicators.

While supporting the introduction of electricity, gas and dual fuel categories, ANZEWON disagreed that a gas and electricity disconnection within a six-week period should only be recorded as a dual fuel disconnection. ANZEWON considered that losing both electricity and gas connections is an extremely serious matter and that it should not be considered as double counting to count each as a disconnection of the relevant fuel. Rather, disconnection of electricity and gas should be counted separately and recorded for each incidence of disconnection.

CUAC & CLCV supported the introduction of electricity, gas and dual fuel categories, however expressed concern with achieving consistency with the dual fuel category across different Ombudsman schemes. Further, due to the complexity of 'dual fuel' reporting, CUAC & CLCV proposed the establishment of guidelines similar to those drafted for complaints to be used by retailers' call centre staff.

AGL SA and the ESCC did not support the proposal. AGL SA stated:

- The requirement to report by the electricity and gas categories separately should cease in the near future, as it appeared less relevant in the effective FRC environment that currently operates.
- No additional fuel categories should be introduced for complaints as further reporting will not result in improved customer service.

Further categories of reporting do not justify the costs incurred by retailers. The ESCC did not support the creation of a 'dual fuel' category for most indicators because, except in a small number of complaint types (e.g. marketing behaviour in a dual fuel contract), the

complaint involves two distinct energy types – gas and electricity – and as such, it would not be double counting if two complaints were recorded where two fuel types are involved. Rather it could result in under counting a hardship or billing issue involving both fuels if recorded as a single complaint.

ACTCOSS argued that the disconnection of gas and not electricity may be an indicator of financial stress and that there is a need to link the pattern of disconnections by household.

#### Single Energy Category for Telephone Responsiveness Indicator

AGL SA, Aurora Energy, County Energy, EA-IPR Retail Partnership, EnergyAustralia, Origin Energy and ANZEWON either supported the proposal for a single ‘energy’ category for the telephone responsiveness indicator, or indicated they could see no adverse issues.

While supporting the proposed introduction of a generic energy category for telephone inquires, Energex Retail suggested that the definitions and indicators pertaining to an accumulated generic energy category needed clarification.

TasCOSS considered that telephone service and other indicators should be reported nationally (and within jurisdictions) on each individual category.

## **5.2 Comment**

### Additional Dual Fuel Category

A range of views were received on the proposal to introduce an additional dual fuel category for most indicators reported in the national template.

The URF objective was to achieve consistency in reporting noting the difficulty some retailers have had in reporting separately according to electricity and gas categories, resulting in double counting. In particular, the new indicator was designed to provide further insight into financial hardship of those customers are in dual fuel contractual arrangements, aiming to identify those customers who have had both gas and electricity disconnected over a short timeframe. These customers would be identified by their combined billing arrangements and therefore potentially subject to simultaneous disconnection.

The Discussion Paper was predicated on the view that dual fuel contracts are those where a direct contractual relationship is required with one retailer, resulting in at least a single periodic bill for gas and electricity supply. This approach does not appear to be consistent across jurisdictions or retailers. As a consequence, stakeholders raised a number of practical difficulties in achieving an unambiguous use of the dual fuel term and the URF objectives.

Whilst it is recognised that dual fuel contractual arrangements are becoming more prevalent in the competitive market, it is clear that these arrangements are not uniform across the jurisdictions and there is not a consistently agreed application of the contractual arrangements. Therefore it has been decided not to proceed with the approach to defining a dual fuel

disconnection at this time. Rather all electricity and gas disconnections for non payment of debt will continue to be recorded within the respective fuel type categories as currently applies.

#### Single Energy Category for Telephone Responsiveness Indicator

Given the level of support for the proposal for a single energy category for the telephone responsiveness indicator, this proposal has been adopted.

### **5.3 Position**

Following consideration of issues raised in submissions, the national retailer performance template will require:

- the telephone responsiveness indicators to be reported under a single Energy category.

The National Energy Retail Template provided as Appendix 2 incorporates a definitions attachment.

## 6 Summary of Proposed Changes to National Retail Template

Table 1 below displays the changes to the national retail reporting template incorporating the Final Position outlined in sections 2, 3, 4 and 5 of this paper. It shows the additional agreed reporting requirements for electricity and gas retailers serving small customers.

Table 1 also shows the customer categories by which the data will be sought, i.e. all customers combined, residential only or separate residential and non-residential. It also identifies changes made to the March 2002 Report national template.

*Table 1. Current and Proposed Information Collected for the National Retail Template*

<b>Indicator</b>	<b>Customer Type</b>	<b>Electricity</b>	<b>Gas</b>	<b>Dual Fuel<sup>(2)</sup></b>	<b>Energy<sup>(3)</sup></b>
<b>Affordability</b>					
• Instalment payment plans	res. + non-res. <sup>(1)</sup>	<b>X</b>	•	•	-
• Refundable advances/security deposits	res. + non-res.	<b>X</b>	•	•	-
• Direct debit defaults	res. + non-res.	<b>X</b>	•	•	-
• Disconnections for non-payment	res. + non-res.	<b>X</b>	•	-	-
• Reconnections in the same name	res. + non-res.	<b>X</b>	•	-	-
• Disconnection of customers previously on a budget instalment plan	res. only	◇	◇	-	-
• Reconnection in the same name of customers previously on a budget instalment plan	res. only	◇	◇	-	-
• Disconnections in the same name and address within past 24 months	res. only	◇	◇	-	-
• Reconnection in the same name and address within past 24 months	res. only	◇	◇	-	-
• Disconnections of Concession card customers (residential only)	res. only	◇	◇	-	-
• Reconnection in the same name of Concession card customers	res. only	◇	◇	-	-
<b>Customer service</b>					
• Calls to account line answered within 30 second	total customers	<b>Delete</b>	-	-	•
• Average waiting time before a call is answered	total customers	<b>Delete</b>	-	-	•



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• Abandoned calls	total customers	<b>Delete</b>	-	-	•
• Number of overload events	total customers	<b>Delete</b>	-	-	-
• Total number of telephone calls	total customers	<b>Delete</b>	-	-	•
• Total number of complaints	res. + non-res. <sup>(4)</sup>	<b>X</b>	•	•	-
• Complaints – billing	res. + non-res. <sup>(4)</sup>	<b>X</b>	•	•	-
• Complaints – marketing	res. + non-res. <sup>(4)</sup>	<b>Δ</b>	<b>Δ</b>	<b>Δ</b>	-
• Complaints – transfer	res. + non-res. <sup>(4)</sup>	<b>Δ</b>	<b>Δ</b>	<b>Δ</b>	-
• Complaints – other	res. + non-res. <sup>(4)</sup>	<b>X</b>	•	•	-

Notes:

- (1) res. = residential and non-res. = non-residential, with 'res. + non-res.' meaning that the data is to be collected and reported for residential and non-residential separately.
- (2) refer to section 5 of this paper for definition of "dual fuel".
- (3) refers to generic "energy" category. For those retailers only selling one fuel, performance for the relevant indicator will still be reported under the "energy" category. For retailers having multiple call centres, jurisdictional performance data will need to be combined across these centres.
- (4) currently only collected for total customers.

Legend:

- |                                       |                                     |
|---------------------------------------|-------------------------------------|
| <b>X</b> Currently collected          | • New indicator                     |
| ◇ New affordability information       | <b>Δ</b> New complaints information |
| - data not collected by this category |                                     |

Appendix 2 provides a copy of a draft consolidated national energy retail template, incorporating all of the proposals outlined in this discussion paper.

## 7 Next steps

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This Final Paper should be read in conjunction with the March 2002 Report (final report on national regulatory reporting requirements for electricity distribution and retailing businesses).

Each jurisdictional regulator will now have the opportunity to review the changes to the national retail operating performance indicators outlined in this Final Paper. Any consequential amendments to the reporting requirements of retailers would be formally imposed through appropriate amendments being made to individual jurisdictional regulator retailer information specifications.

Individual jurisdictional regulators are not bound to, and may not always be in a position to adopt all of the changes in this Final Paper. Nevertheless, all members aim to act consistent with the objective of the URF to provide a consistent approach to performance monitoring of energy utilities across jurisdictions and enable useful national regulatory reporting of retail businesses.

It is recommended that regulators seek to implement changes arising from this Final Paper in their respective jurisdictions in time to apply from the 2007/08 financial year.

## APPENDIX 1                      Draft “National Reporting Guideline – Complaints”

### **1.        *Introduction***

The Steering Committee on National Regulatory Reporting Requirements (SCONRRR) Retail Working Group has developed a national complaints reporting guideline for the use of retailers’ call centre staff. The approach will assist in achieving consistency in the way complaints are recorded and reported and enable more effective comparisons between retail businesses operating in the national electricity and gas markets.

This guideline will provide a consistent approach for identifying customer contacts as either a ‘complaint’ or ‘enquiry and other communication’, and for those contacts identified as a complaint, the appropriate complaint category.

The Working Group engaged PricewaterhouseCoopers (PwC) to assist in developing the guideline. PwC, in conjunction with Working Group representatives, interviewed a cross section of retailers operating in the national market to discover how complaints are being categorised and what issues businesses face in differentiating ‘complaints’ from ‘enquiries and other communications’. This process included a visit to a retail energy business call centre. Furthermore, interviews were conducted with energy ombudsmen from a number of jurisdictions.

Also, representatives from some jurisdictional energy regulators were interviewed as part of this process.

As a result of this discovery process several key issues were identified:

- inconsistencies in the interpretation of the complaints definitions by energy retailers;
- inconsistencies in the way retailers record complaints; and
- inconsistencies in the way complaints are reported.

Given these problems, it was evident that an approach to assist energy retailers was required to ensure that all parties were reporting information on a consistent basis to the jurisdictional regulators.

### **2.        *‘Complaints’ and ‘enquiries and other communication’***

The purpose of this guideline is to assist in the interpretation of what customer contacts should be deemed complaints. Whilst this guideline provides a definition of a complaint and provides examples of case studies deemed to portray customers complaining, it can also be of assistance to consider what might constitute an ‘enquiry and other communication’.

Each time a customer contacts an energy retailer they are seeking answers to, or help with, specific problems encountered in the delivery of the services provided.

The working definition of a customer contact as a complaint rather than an enquiry should be seen in the context of the key components of the definition (refer section 2.1.1); that is, the customer expressing dissatisfaction and where a resolution is expected. This includes the following overarching principles for assessing a complaint:

- (a) the customer has contacted the retailer and has expressed dissatisfaction and seeks resolution; and
- (b) the matter is the result of some action undertaken by the retailer, or some action that could or should have been undertaken by the retailer.

Only complaints need to be classified, collected and reported to regulators. If dissatisfaction has not been expressed, or the customer has not sought resolution, the matter should not be classified as a complaint. Likewise any issues that are not the responsibility of a retailer should not be included as a complaint. Any distribution matters referred to a retailer, including matters referred to retailers on behalf of a distributor (as in the case of gas), should not be counted as retail complaints. Rather these are distribution complaints and should be classified, collected and reported accordingly.

This section provides a definition for a ‘complaint’ and an ‘enquiry and other communication’. It also provides guidance to customer service agents on how to differentiate ‘complaints’ and ‘enquiry and other communication’, how to record a complaint, and how to categorise a complaint.

## **2.1 Definitions**

### **2.1.1 Complaint**

A complaint is defined as:

*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.*

Where the following interpretations apply:

- (a) **An expression of dissatisfaction:** could be anger, customer states they have a complaint, clearly annoyed or unhappy.
- (b) **A response or resolution explicitly expected:** the caller would need to state that they are seeking some action to address their concern, even if not able to state clearly what particular action was required and, indeed, in some instances there may be no obvious response or resolution.
- (c) **A response or resolution implicitly expected:** requires the customer service agent to interpret that the retailer is expected to take action to deal with the problem. For example, if a caller has called more than once regarding a specific concern the customer service agent should be aware that there is an implied reaction required to ensure that this concern is appropriately dealt with.<sup>20</sup>

A key component of the definition is the requirement for a response or resolution to be explicitly or implicitly expected. This is designed to eliminate vexatious complaints, in that a customer must be seeking a response or resolution of some kind. However, such a response can include an acknowledgement or an apology.

<sup>20</sup> This example is not meant to imply that a complaint could not be recorded on the first call, rather to provide an example for customer service agents of situations where it should become clear that a complaint is being made, even if not expressed explicitly.

This will include the following types of contacts:

- I. Where a customer expresses dissatisfaction and continues to seek resolution.
- II. Where a customer states that they are making a complaint.
- III. Where a customer threatens to involve a third party, for example the energy Ombudsmen, media outlets, a Member of Parliament.
- IV. Where a customer indicates that they are dissatisfied with the service provided by a customer service agent.
- V. Where a customer indicates that they are dissatisfied with the conduct of agents operating on behalf of the retailer, for example field sales representatives.
- VI. Where a customer indicates that they are dissatisfied with a particular business process used by the retailer, for example transfer or billing processes.
- VII. Where a complaint is directed to the retailer on behalf of a customer by another body (e.g. an ombudsman).
- VIII. Where a customer has called two or more times on the same issue with no resolution.

It is important to note that even if the customer service agent can resolve the complaint, it must still be categorised and logged as a complaint. While it is hoped that retailers will be able to resolve most complaints quickly, it is important that all complaints received be recorded as such.

### **2.1.2 Enquiries and other communication**

An 'enquiry' is defined as:

*A request by a customer for information about a product or service provided by the retailer that does not reflect dissatisfaction.*

This will include the following contacts:

- I. Where a customer is seeking confirmation of policy and procedure of the retailer.
- II. Where a customer is seeking confirmation of a customer service agent's response from a manager.
- III. Where a customer seeks to confirm the billing data provided, including payment options.
- IV. Where a customer seeks to confirm the products and services offered by the retailers.
- V. Where a customer seeks information for comparison between available retailers.
- VI. Where the customer seeks information relating to products and services offered by a third party, for example, government concessions, network businesses.
- VII. Where the customer is referred to another business unit but no expression of dissatisfaction is made.

'Other communication' is:

*Where a customer contacts the retailer with an actionable request.*

This will include the following contacts:

- I. Where a customer contacts a retailer to provide information on a change of address details.
- II. Where a customer contacts a retailer seeking a disconnection of premises, in which case the person is neither complaining nor seeking information.

As noted above, customer contacts which are clearly defined as 'enquiries or other communication' should be treated as such. Likewise, contacts that are easily identified as complaints should be classified as such. However, there may be a significant number of customer contacts which fall somewhere between a 'complaint; and an 'enquiry or other communication'. Where a contact could be deemed as a complaint, customer service agents should err on the conservative side and record such contacts as complaints. This includes where a complaint is being made about the retail process.

## ***2.2 Recording a Complaint***

The following principles provide direction to customer service agents on when to log a customer contact as a complaint:

- I. A complaint can be recorded at any stage during the interaction between a retailer and a customer.
- II. A complaint can be recorded at the operator level, elevation level or at any stage during communication between the customer and the retailer. A complaint does not have to be escalated to be recorded as a complaint.
- III. A customer may voice their dissatisfaction at a service/product. They may do this in a manner where their voice is not raised and their manner remains calm.
- IV. Regardless of the outcome/resolution of the issue, if a customer expresses dissatisfaction at a service/product that the retailer is responsible for, the retailer should record a complaint.
- V. More than one complaint can be made per customer/call. For example if a customer makes a billing complaint and then makes a marketing complaint during the same call then two complaints should be registered. Potentially, this will result in the number of customer contacts classified as complaints being less than the sum total number of complaints recorded against each category.
- VI. Each individual customer contact that is a complaint should be recorded and categorised as a complaint irrespective of the number of times the caller has made contact with a retailer on an issue.

As noted above, this guideline sets out the minimum reporting requirements for retailers in respect of reporting complaints. Where a state based regulatory authority seeks additional information from retailers, then this will need to be provided in addition to the information collected and reported as part of this process.

## ***2.3 Categorising Complaints***

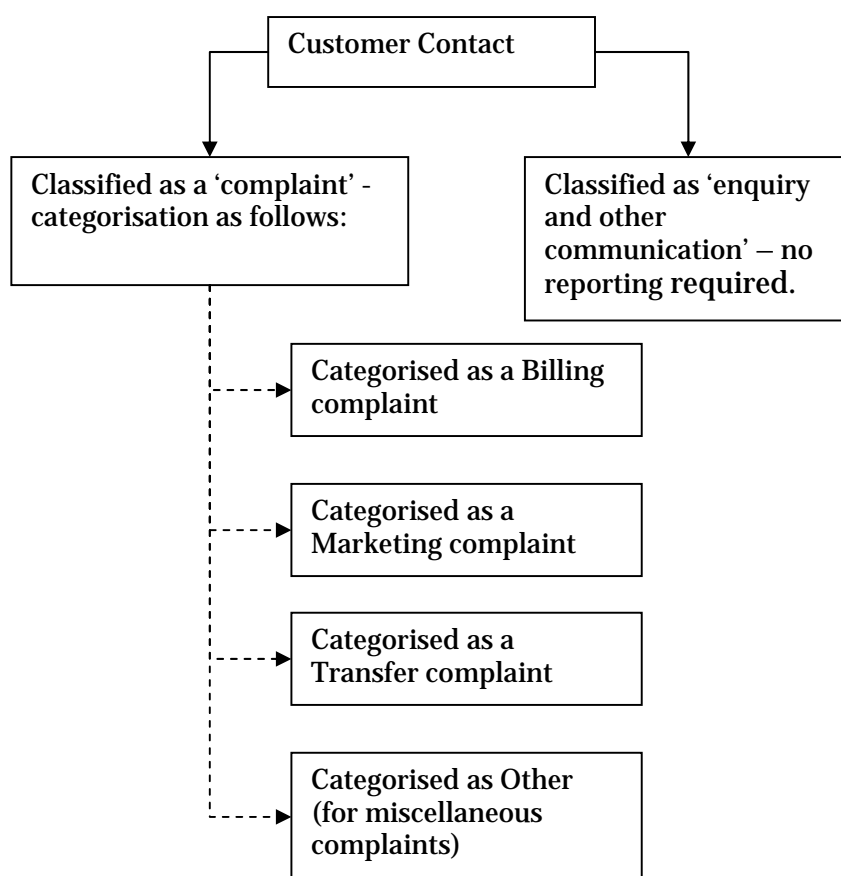
Where a customer contact is classified as a complaint it will be categorised into one of four different complaint categories:

- Billing, for example billing errors, incorrect billing of fees and charges, failure to receive relevant government rebates, high billing, credit collection, disconnection, reconnection and restriction due to billing discrepancy.
- Marketing, for example advertising campaigns, contract terms, sales techniques, misleading conduct.

- Transfer, for example failure to transfer 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).
- Other, for example poor service, privacy consideration, failure to respond to complaints, health and safety issues.

The process of classification and categorisation of calls between ‘complaints’ and enquiries and other communication’, and then the different complaint types is outlined in Figure 1.

**Figure 1: Complaints classification and categorisation process**



As stated above, it is important to note that a single contact can generate more than one category of complaint.

### **3. Case Studies**

It is noted that there are cases where difficulties exist in categorising a customer contact as a ‘complaint’ or ‘enquiry and other communication’. The following case studies are intended to assist retail customer service agents distinguish between a ‘complaint’ and ‘enquiry and other communication’, and further categorise the complaint.

## ***Billing/ Disconnections***

### **1. Case Study**

**Customer contact:** I wish to complain about the information presented on my bill. In addition, I wish to complain about the additional marketing material included with my bill.

Justification: The customer has identified the call as a complaint.

**Reference:** Section 2.1.1 (a)

**Classification:** Complaint

**Categorisation:** Billing complaint and Marketing Complaint.

In this example the number of Complaints that should be reported to jurisdictional regulator is two. The number of complaints recorded against billing should be one. The number of complaints recorded against Marketing should also be one.

### **2. Case Study**

**Customer contact:** I'm calling to make a complaint regarding my current bill.

#### **Scenario 1**

**Retailer:** (having confirmed caller's identification) I see that you made a complaint on the 15<sup>th</sup> of this month regarding your bill.

Justification: If the solution proposed during the previous bill is currently occurring the customer has had to contact the retailer twice on the same issue. An additional billing complaint would be recorded.

**Reference:** Section 2.2 VI

**Classification:** Complaint

**Categorisation:** Billing complaint.

#### **Scenario 2**

Where the customer is now complaining that the action proposed during the first contact has not occurred and wishes to complain about this inaction on this call.

Justification: There is an additional complaint over the first complaint due to the complaint registered about the complaint handling process as well as the original complaint.

**Reference:** Section 2.2 V and VI.

**Classification:** Complaint

**Categorisation:** Billing and Other complaint (2 complaints).

### **3. Case Study**

**Customer contact:** The gas bill that I've just received is significantly higher than the bills I've received over the past few years.

**Retailer:** Sir has there been a change in circumstances over the past three months, for example have you installed a new heater or an additional person has moved into the house?



### Scenario 1

**Customer:** Yes I've recently changed over my hot water system from electric to gas.

**Retailer:** Does that explain the increase in consumption?

Customer: Yes, thank you very much.

**Justification:** The information provided is sufficient to explain the variation in the customer's bill, and was not due to anything for which the retailer is responsible. There was also no evidence that the customer was complaining or dissatisfied.

**Reference:** Section 2.1.2 III

**Classification:** Enquiry and other communication

**Categorisation:** Not required.

### Scenario 2:

**Customer:** No

**Retailer:** I see that your bill has been estimated which could be why it is too high, I'll conduct a special read for you immediately.

**Customer:** Thankyou

**Justification:** The customer is happy with the response provided and accepts that the estimated read could be potentially too high. In this case, the customer has not expressed any dissatisfaction.

**Reference:** Section 2.1.2 III

**Classification:** Enquiry and other communication

**Categorisation:** Not required.

### Scenario 3

**Customer:** No

**Retailer:** Sir according to my records this was the correct meter read as at the 15<sup>th</sup> of last month.

**Customer:** It is incorrect.

**Retailer:** I'll arrange for a special meter immediately.

Customer: Good!

**Justification:** The customer is unhappy with the level of the bill. The customer has expressed dissatisfaction and has sought resolution.

**Reference:** Section 2.1.1 I

**Classification:** Complaint

**Categorisation:** Billing complaint.

## 4. Case Study

**Customer contact:** I'm an 85 year old pensioner and I have extreme difficulty reading the information provided on your bill.

**Retailer:** I'm sorry about that can I help you with the information?

### Scenario 1

**Customer:** Yes what is the amount outstanding and when is it due for payment?

**Retailer:** \$200.25 and its due on the 15<sup>th</sup> of this month.

**Customer:** Thankyou.

**Justification:** The customer has been provided with the appropriate information to fulfil their query. There was no indication that the customer was expecting the retailer to have been aware of her circumstances and for the retailer to have provided the bill in a larger font.

**Reference:** Section 2.1.2 III

**Classification:** Enquiry and other communication

**Categorisation:** Not required.

### Scenario 2

**Customer:** No that's not good enough I want you to send me out another bill in bigger font.

**Retailer:** That's not a problem, I'll send it out today.

**Customer:** Fine.

**Justification:** The customer is voicing their displeasure with the services provided and is expecting a resolution of the problem

**Reference:** Section 2.1.1 I

**Classification:** Complaint

**Categorisation:** Billing complaint.

### Scenario 3

**Customer:** That is still not good enough you should provide bills in larger size font to pensioners.

**Justification:** The customer is voicing their displeasure with the services provided.

**Reference:** Section 2.1.1 I

**Classification:** Complaint

**Categorisation:** Billing complaint.

## 5. Case Study

**Customer Contact:** I've just been disconnected from the network, but I paid my bill by the required date.

**Retailer:** I'm sorry, but we received the money after the disconnection notice period and were not able to contact you, so had no option but to cut you off.

**Customer:** That's not acceptable.

**Retailer:** Sir we can send a reconnection crew out there for tomorrow.

**Customer:** That's still not good enough.

**Justification:** The customer is voicing their displeasure with the services provided, or indeed the lack thereof. It is implicit that the required response is that the retailer will reconnect today.

**Reference:** Section 2.1.1 VI

**Classification:** Complaint

**Categorisation:** Billing complaint (where appropriate this should be recorded as a disconnection complaint).

## 6. Case Study

**Customer contact:** Both my electricity and gas bills are with you, why do I get the bills at different times.

**Retailer:** It is due to the different billing cycles for the two services.

**Customer:** Is there any way I change that so I get my bills at the same time?

**Retailer:** We can either put you on an estimated monthly account, at no cost, or we can organise special meter reads for your electricity service so that it is consistent with your gas service, however, you will incur a cost for this service.

### Scenario 1

**Customer:** Yes an estimated reading by the month is sufficient.

There was no clear indication of customer dissatisfaction, with the customer enquiring as to whether there was an alternative method of being billed.

**Reference:** Section 2.1.2 I

**Classification:** Enquiry and other communication

**Categorisation:** Not required.

### Scenario 2

**Customer:** No! An estimated reading is not acceptable and I'm not interested in paying for a special meter reading.

**Justification:** The products and services have been discussed with the customer, but the customer is still unhappy. While there is nothing that the retailer can do for the customer in the short term, the complaint still relates to a retailer function. The retailer could take up the issue with the appropriate authorities and seek change. In any case, this represents a legitimate complaint directed at a retailer and should be recorded as such.

**Reference:** Section 2.1.1 VI

**Classification:** Complaint

**Categorisation:** Billing complaint.

## 7. Case Study

**Customer contact:** I would like to complain as to why I have not received my bill.

**Justification:** Even though there may be a logical explanation, the customer is lodging a complaint and has clearly stated that the contact is a complaint.

**Reference:** Section 2.1.1 I

**Classification:** Complaint

**Categorisation:** Billing.

## 8. Case Study

**Customer contact:** I am not happy that I have received a disconnection notice even though I have paid my bill.

**Justification:** Once again, even though there may be a logical explanation, this is to be lodged as a complaint as the customer has stated they are making a complaint.

**Reference:** Section 2.1.1 I

**Classification:** Complaint

**Categorisation:** Billing.

### ***Marketing/ Promotion***

#### **9. Case Study**

**Customer contact:** I received some advertising material from your company despite having a 'no junk mail' sticker on the letter box. This information did not come with my bill and was not separately delivered by Australia Post.

**Retailer:** I'm sorry about that, I'll make sure that it does not happen again.

**Justification:** The customer would not have had to contact the business if the normal operation of the marketing function was performed in the appropriate manner.

**Reference:** Section 2.1.1 I

**Classification:** Complaint

**Categorisation:** Marketing complaint.

#### **10. Case Study**

**Customer contact:** I've got a dual fuel arrangement with you and I can't understand why I get two different bills for my gas and electricity.

**Retailer:** It is due to the different billing cycles for the two services. This should have been explained to you when you signed up to the dual fuel deal.

**Customer:** Well it wasn't, I was told when I signed up that I would only get one account.

**Retailer:** I'm sorry, but we cannot change it.

**Customer:** That's not good enough.

**Justification:** The customer is unhappy with the processes. They have accepted the information provided at the time of signing the contract as the truth. Although there is nothing the retailer can do to resolve this customer's complaint, information about the sending out of accounts should have been provided as part of the marketing disclosure of the product.

**Reference:** Section 2.1.1 I

**Classification:** Complaint

**Categorisation:** Marketing.

#### **11. Case Study**

**Customer contact:** I've just got my most recent bill and I've received some promotional material. When I signed the contract with you I specifically stated that I did not want to receive such information.

**Retailer:** I'll adjust your account accordingly.

#### **Scenario 1**

**Customer:** Good. Thank you.

**Justification:** Even though the customer is happy with the outcome of the telephone conversation, the retailer should have already adjusted the records and the call should not have been made by the customer.

**Reference:** Section 2.1.1 I

**Classification:** Complaint

**Categorisation:** Marketing complaint.

### **Scenario 2**

**Customer:** You're missing the point I didn't want this material.

**Justification:** The customer is unhappy with the fact that their wishes not to receive marketing data have gone unheeded.

**Reference:** Section 2.1.1 I

**Classification:** Complaint

**Categorisation:** Marketing complaint.

### **Transfers**

#### **12. Case Study**

**Customer contact:** I have transferred to a new retailer but I received a bill from you (original retailer) today. Why are you sending me bills when I'm not one of your customers anymore?

**Retailer:** The transfer process takes up to three months to complete during which time you may receive a bill from your original retailer.

#### **Scenario 1**

**Customer:** Fine, I'll pay this one as the last bill.

**Justification:** The customer is happy with the response provided by the business and is happy to pay the final bill. Also, there is no indication that the customer was expressing dissatisfaction and that had any intent in ringing other than to understand why they were receiving a bill from their original retailer.

**Reference:** Section 2.1.2 I

**Classification:** Enquiry and other communication

**Categorisation:** Not required.

#### **Scenario 2**

**Customer:** That's not acceptable I transferred away from you six months ago!

**Justification:** There has been a break down in the transfer process which has lead to the call. The customer has expressed dissatisfaction in stating that the circumstances were unacceptable.

**Reference:** Section 2.1.1 VI

**Classification:** Complaint

**Categorisation:** Transfer complaint.

## ***Electricity Supply***

### **13. Case Study**

**Customer contact:** I'm calling to complain about the power being out in our street.

**Retailer:** I'll transfer you to the distribution business who is responsible for outages in your area.

**Justification:** This call is unrelated to the functions of the retail business.

**Reference:** Section 1.2

**Classification:** Enquiry and other communication

**Categorisation:** Not required.

### **14. Case Study**

**Customer contact:** In last night's black out, I was working on my computer and it was subsequently short circuited by the power surge and now it's broken.

**Retailer:** You can make a claim for any out of pocket expenses as a result of the power surge through Guaranteed Service Level (GSL) agreements between the Distribution business and yourself. I'll post out the forms for you.

#### **Scenario 1**

**Customer:** Great.

**Justification:** The retailer has provided the customer with an avenue to address the issue at hand, but more directly the black out was not an issue for which the retailer could be considered responsible.

**Reference:** Section 1.2

**Classification:** Enquiry and other communication

**Categorisation:** Not required.

#### **Scenario 2**

**Customer:** That's not good enough I want to speak to the person responsible.

**Retailer:** I'll transfer you to the Distribution business.

**Justification:** The GSL functions are outside the responsibilities of the retailer. No action could be taken by the retailer to address the problem, except to transfer the call to the distribution business.

**Reference:** Section 1.2

**Classification:** Enquiry and other communication

**Categorisation:** Not required.

### **15. Case Study**

**Customer contact:** Every time your meter man reads my meter he walks all over my prize winning garden.

**Retailer:** The meters are read by the distribution business in your area. You'll need to speak to them about this problem. I can transfer you if wish.

**Customer:** Thankyou

**Justification:** The meter function is outside the responsibilities of the retailer. No action could be taken by the retailer to address the problem, except to transfer the call to the distribution business.

**Reference:** Section 1.2

**Classification:** Enquiry and other communication

**Categorisation:** Not required.

## APPENDIX 2 National Energy Retail Template

It should be noted that retailers are not required to fill out this template. Retailer information specifications will be provided to retailers by the relevant jurisdictional regulator. This template shows how it is intended that the performance data will be publicly reported by jurisdictional regulators.

### National Retailing Quality of Service Reporting Template

(Annual - Financial Year Data)

#### AFFORDABILITY AND ACCESS

Data relates to small customers: defined as consuming below 160 MWh p.a.  
See Definitions section for definitions of indicators.

##### 1. Instalment Payment Plans

	Electricity	Gas	Dual Fuel	Energy	Total
<b>Residential Customers</b>					
- Total number of residential customers					
- Number of residential customers on instalment plans					
- Percentage of residential customers on plans					
<b>Non-Residential Customers</b>					
- Total number of non-residential customers					
- Number of non-res. customers on instalment plans					
- Percentage of non-res. customers on instalment plans					

##### 2. Direct Debit Cancellations – as a Result of Defaults

	Electricity	Gas	Dual Fuel	Energy	Total
<b>Residential Customers</b>					
- Number of direct debit plan terminations					
- Percentage of direct debit plans terminated					
<b>Non-Residential Customers</b>					
- Number of direct debit plan terminations					
- Percentage of direct debit plans terminated					

##### 3. Disconnections (for non-payment)

	Electricity	Gas	Dual Fuel	Energy	Total
<b>Residential Customers</b>					
- Number of customers disconnected for failure to pay					
- Percentage of customers disconnected					
<b>Non-Residential Customers</b>					
- Number of customers disconnected for failure to pay					
- Percentage of customers disconnected					



Additional Residential Disconnection Indicators

	Electricity	Gas	Dual Fuel	Energy	Total
- Number of customers disconnected previously on a budget instalment plan					
- Percentage of customers disconnected					
- Number of customers disconnected previously within past 24 months					
- Percentage of customers disconnected					
- Number of government funded rebate customers disconnected					
- Percentage of customers disconnected					

**4. Reconnections**

	Electricity	Gas	Dual Fuel	Energy	Total
<u>Residential Customers</u>					
- Number of disconnected customers reconnected within 7 days					
- Percentage of disconnected customers reconnected					
<u>Non-Residential Customers</u>					
- Number of disconnected customers reconnected within 7 days					
- Percentage of disconnected customers reconnected					

Additional Residential Reconnection Indicators

	Electricity	Gas	Dual Fuel	Energy	Total
- Number of customers reconnected previously on a budget instalment plan					
- Percentage of customers reconnected					
- Number of customers reconnected who were disconnected previously within past 24 months					
- Percentage of disconnected customers reconnected					
- Number of government funded rebate customers reconnected					
- Percentage of disconnected customers reconnected					

## 5. Security Deposits

	Electricity	Gas	Dual Fuel	Energy	Total
<b>Residential Customers</b>					
- Number of customers who have lodged security deposits					
- Percentage of customers who have lodged security deposits					
<b>Non-Residential Customers</b>					
- Number of customers who have lodged security deposits					
- Percentage of customers who have lodged security deposits					

## CUSTOMER SERVICE

### 6. Complaints

	Electricity	Gas	Dual Fuel	Energy	Total
<b>Residential Customers</b>					
Total number of complaints					
Billing complaints as a percentage of total complaints					
Marketing complaints as a percentage of total complaints					
Transfer complaints as a percentage of total complaints					
Other complaints as a percentage of total complaints					

	Electricity	Gas	Dual Fuel	Energy	Total
<b>Non-Residential Customers</b>					
Total number of complaints					
Billing complaints as a percentage of total complaints					
Marketing complaints as a percentage of total complaints					
Transfer complaints as a percentage of total complaints					
Other complaints as a percentage of total complaints					

### 7. Telephone Service (all customers)

	Electricity	Gas	Dual Fuel	Energy	Total
<b>Total Customers</b>					
Total number of telephone calls to an operator					
Number of operator calls responded to within 30 seconds					
Percentage of operator calls responded to within 30 seconds					
Average wait before call answered by operator (secs)					
Percentage of calls abandoned					

(1)

## **DEFINITIONS**

### **1. Instalment Payment Plans**

**Instalment Payment Plan** means an arrangement between a retailer and a customer for the 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.

*Note:*

- a suitable working definition is the number of plans involving at least three (3) instalments;
- the plans enable customers to make payments in instalments, by arrears and/or advance, taking into account their capacity to pay;
- 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 plan; and
- the number reported should be as at 30 June of the relevant financial year.

The 'percentage of customers' indicator is calculated by dividing the number of customers on instalment plans by the total number of customers in the relevant class (i.e. residential or non-residential).

The 'total number of customers' indicator means the total number of customers in the relevant class billed by the retailer, of which those on instalment plans would only be a subset.

### **2. Direct Debit Cancellations – as a Result of Defaults**

**Direct Debit Cancellations – as a Result of Defaults** means where a direct debit plan/facility is terminated as a result of default/non-payment.

*Note:*

- the term direct debit plan or facility is a general term meant to cover all customers paying by direct debit;
- it would generally require a default or rejection to occur in two successive payment periods, to reflect as far as possible true default on payments, rather than an error or a transitory shortfall;
- the key aspect of this definition is that a direct debit plan has been terminated as a result of default. This indicator should not include terminations for reasons other than default, for example, at the request of the customer who has decided to adopt different payment arrangements;
- the term 'two successive payment periods' is considered as being specific to the customer in question and may relate to two fortnights or two quarters, as determined by the specific individual customer's arrangements; and
- all terminations would be included, including those relating to Centrepay.

The 'percentage of direct debit plans terminated' indicator is calculated by dividing the number of direct debit plans terminated by the total number of direct debit plans in the relevant customer class (i.e. residential or non-residential).

### **3. Disconnections for Non-Payment**

**Disconnection for non-payment** means small customers whose supply was disconnected due to a small customer's failure to pay amount owed.

*Note:*

- refers to the number of events or occasions where disconnection has occurred. For example, if customer A is disconnected twice in a reporting year, two disconnections must be reported; and
- only disconnections of customers meeting the strict definition of a dual fuel contract (see glossary) should be recorded in the dual fuel section of the template.

**Disconnection for non-payment in the same name and address in previous 24 months** means residential customers whose supply was disconnected for non-payment of an amount owed and who have been disconnected for non-payment of an account on one or more occasions in the previous 24 months.

**Disconnection of customers previously on an instalment payment plan** means residential customers whose supply was disconnected for non-payment of an amount owed and who are, or who were in the previous 24 months, on an instalment payment plan.

**Disconnection of Government funded rebate customers** means disconnection of residential customers who receive a government-funded rebate or State Government administered energy concession through the Federal Concession Card scheme.

The 'percentage of customers disconnected' indicator is calculated by dividing the relevant number of customers disconnected for failure to pay by the total number of customers in the relevant class (i.e. residential or non-residential).

Government-funded rebate customers means, as appropriate within an individual jurisdiction:

- concession cardholders – being the number of customers who received a State Government energy/electricity concession as at 30 June of the relevant year, to include both permanent concession cardholders and beneficiaries; and
- customers receiving a government-funded rebate which reduces the amount payable to a retailer.

### **4. Reconnections**

**Reconnection in the same name** means customers whose supply was reconnected, where a reconnection has been carried out for a small customer at the same premises in the same name within 7 days of disconnection due to a failure to pay amount owed.

*Note:*

- refers to the number of events or occasions where disconnection has occurred. For example, if customer A is reconnected twice in a reporting year, two reconnections must be reported.

**Reconnection in the same name and address in the previous 24 months** means residential customers whose supply was reconnected in the same name at the same premises following a disconnection for non-payment and who have been disconnected for non-payment on one or more occasions in the previous 24 months.

**Reconnection in the same name of customers previously on an instalment plan** means a residential customer whose supply was reconnected in the same name at the same premises, who are, or who were in the previous 24 months, on an instalment payment plan.

**Reconnection in the same name of Government funded rebate customers** means a residential customer whose supply was reconnected in the same name at the same premises, who receive a government funded rebate or State Government administered energy concession through the Federal Concession Card scheme.

The 'percentage of disconnected customers reconnected' indicator is calculated by dividing the number of customers reconnected by the number of customers disconnected for failure to pay, for the relevant indicator.

## **5. Security Deposits**

**Security deposits** means those customers who have lodged a security deposit (refundable advance) to secure connection or reconnection to supply. The number reported should be as at 30 June of the relevant financial year.

*Note:*

- only security deposits of customers meeting the strict definition of a dual fuel contract (see glossary) should be recorded in the dual fuel section of the template and where the retailer requires a single security deposit to cover both fuels, otherwise details to be reported separately under electricity and/or gas.

The 'percentage of customers who have lodged security deposits' indicator 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).

## **6. Complaints**

**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.

*Note:*

- complaints are to be categorised according to the customer energy account associated with the complaint, i.e. electricity, gas or dual fuel. Those customers having separate electricity and gas accounts with the same retailer will have the complaint categorised according to the account associated with the complaint made.
- complaints may be received via telephone, mail, facsimile or e-mail.
- if a complaint is received concerning the marketing of contracts in relation to both electricity and gas, then the complaint should be recorded in the dual fuel category.

**Billing/Credit 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.

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

*Note:*

- any marketing complaint involving the offer to supply both gas and electricity during one marketing contact should be reported in the dual fuel section of the template.

**Transfer complaints:** includes failure to transfer 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).

**Other complaints:** includes poor service, privacy consideration, failure to respond to complaints, and health and safety issues.

The complaints as a percentage of total complaints indicator is calculated by dividing the relevant complaint category figure by the sum of the complaints across all complaint categories, for the relevant customer category (i.e. residential and non-residential customers). The percentage of complaints for each complaint category should sum to 100% for the relevant customer category.

## **6. Telephone Service**

**Total number of calls to an operator** means the total number of calls received by a retailer that were handled by an operator or customer service officer, and in the case of an IVR system covers the number of calls where the customer has selected the relevant operator option (but excludes all other calls not requiring operator attention).

*Note:*

- this is to include the number of abandoned calls to an operator, in the case of an IVR system recorded once the operator option has been selected, but exclude any calls abandoned prior to the customer selecting the operator option; and
- this is to include any calls to a customer service officer, including sales calls. However, telephone calls received by third parties, such as contractors or marketing agents acting on behalf of a retailer, are not to be included.

**Number of operator calls responded to within 30 seconds** means the number of calls to an operator (of the 'total number of calls to an operator') that were answered within 30 seconds.

The 'percentage of operator calls responded to within 30 seconds' indicator is calculated by dividing the 'number of operator calls responded to within 30 seconds' by the 'total number of calls to an operator'. This is referred to as the 'operator responsiveness' indicator.

**Average Wait before call answered by operator** means the total time waited by callers before their telephone call was answered by an operator divided by the total number of calls to an operator.

*Note:*

- this indicator requires a retailer to report on the time waited by callers before a call is answered and so only answered calls are relevant (i.e. the indicator is monitoring a subset of the total calls received). This indicator should not include details of abandoned calls, nor include the average waiting time before a call is abandoned;
- where an IVR system operates, it is not appropriate to regard the call as being answered as soon as the IVR system accepts the call. Where a caller to an IVR system is seeking to talk to an operator, then monitoring of the call waiting time should commence when the caller

- selects the relevant IVR operator option and cover the resulting time up and until an operator picks up the call, to deal with the caller's issue.
- for non-IVR systems, the monitoring time should commence when the call is received by the switchboard and cover the time until the operator picks up the call (and is able to deal with the customer's inquiry rather than place the customer back in a queue), including any time spent in a queue.

The 'percentage of calls abandoned' indicator is calculated as the percentage of the 'total number of calls to an operator' where the caller hung up before the call was answered by an operator. Abandoned calls include those calls that were abandoned prior to 30 seconds.

## **GLOSSARY**

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

*Residential customer* means a small customer who acquires electricity for domestic use.

*Dual Fuel* refers to:

- for the marketing complaints indicator, any joint marketing of gas and electricity at the one time
- for all other applicable indicators, the dual fuel category applies where data involves customers who receive combined energy periodic bills (i.e. covering both gas and electricity supply).

It is not considered sufficient to classify dual fuel merely where both fuels are being purchased from the same retailer. There needs to be combined periodic energy bill through a bill smoothing or similar arrangement or where metering reading cycles are aligned/ sufficiently aligned that retailers provide periodic combined energy bills to these customers.