

Energy Coordination Act 1994

# Gas Trading Licence Performance Reporting Handbook

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Economic Regulation Authority

 WESTERN AUSTRALIA

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## 1 Background

The Economic Regulation Authority (Authority) is responsible for administering the gas licensing scheme under the Energy Coordination Act 1994 (Act). A business licensed by the Authority is required to comply with a range of obligations prescribed by the Act and its associated regulations and codes.

Under section 11M of the Act, the Authority may determine licence terms and conditions, including requiring a licensee to publish specified information in relation to its performance under a licence. In accordance with these powers, the Authority requires the holders of gas trading licences to report against the performance indicators identified in section 14.1 of the Gas Compliance Reporting Manual (**Reporting Manual**). The annual performance report for the year ending 30 June is to be provided to the Authority by 30 September.

## 2 Purpose of this Handbook

This document has been developed to accompany the performance reporting obligations for gas trading licensees in the Gas Compliance Reporting Manual, published by the Authority in March 2008<sup>1</sup>.

The template in section 14.1 of the Reporting Manual applies to small use customers<sup>2</sup>. It is important that there is a shared understanding amongst all stakeholders in respect of the information that is to be reported by gas trading licensees, including the definitions to be applied to the performance indicators and the Authority's expectations as to the manner in which the information should be presented. Consistent with this objective, the Authority has issued this guide to inform gas trading licensees of the:

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

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

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<sup>1</sup> This document can be found on the Authority's web site [http://www.era.wa.gov.au/2/319/51/regulatory\\_guid.pm](http://www.era.wa.gov.au/2/319/51/regulatory_guid.pm)

<sup>2</sup> A small use customer consumes less than 1 Terajoule (TJ) of gas per annum

<sup>3</sup> National Energy Retail Performance Indicators, Standing Committee on National Regulatory Reporting Requirements – Retail Working Group, November 2006. A copy can be obtained on the Authority's web site: [http://www.era.wa.gov.au/2/281/51/regulatory\\_guid.pm](http://www.era.wa.gov.au/2/281/51/regulatory_guid.pm)

### 3 Performance Reporting Tools

The Authority has issued a Microsoft Excel workbook called the Gas Trading Licence Performance Report (**Performance Report**). It is mandatory for licensees to provide their annual performance reports to the Authority by completing the Performance Report. The latest version of the Performance Report can be found on the Authority's web site<sup>4</sup>.

The Performance Report comprises 7 worksheets, one for each of the performance reporting categories set out in section 14.1 of the Reporting Manual:

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

### 4 Completing the Performance Report

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

**Table 1: Example datasheet format**

No.	Reference	Description	Basis of Reporting	
			Number	Percentage
RA 1	SCONRRR	Total number of residential customers		

When completing the worksheets in the Performance Report, it is important that the structure of the data entry cells is not modified by inserting, deleting or re-ordering rows/columns. A number of cells contain values that are calculated from data that has been entered into other cells. These cells have been locked to protect the calculation formula and have been shaded yellow for identification purposes.

Only enter data into the cells that are not shaded.

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

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

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

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

<sup>4</sup> The latest version of the Data Sheets can be found on the Economic Regulation Authority web site at: [http://www.era.wa.gov.au/2/319/51/regulatory\\_guid.pm](http://www.era.wa.gov.au/2/319/51/regulatory_guid.pm)

The basis of reporting offers 2 options:

- Number. This is used to enter any numerical value other than a percentage or a dollar value.
- Percentage.

The data entry cells have been formatted to align with the required degree of accuracy appropriate for each indicator.

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

## 5 Customers and Customer Information

### Purpose

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

### Reported Indicators

No.	Indicator
RA 1	Total number of residential customers
RA 2	Total number of contestable residential customers <sup>5</sup>
RA 3	Total number of non-residential residential customers
RA 4	Total number of contestable non-residential residential customers <sup>6</sup>

### Definitions

**Customer** means customer account.<sup>7</sup>

**Contestable residential/non-residential customer** means a customer who consumes between 180GJ and 1TJ of gas per annum.

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

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

Note:

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

### Calculations

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

<sup>5</sup> This indicator is only applicable to Alinta Sales for the gas supply areas that are subject to the 2007 Gas Market Moratorium.

<sup>6</sup> This indicator is only applicable to Alinta Sales for the gas supply areas that are subject to the 2007 Gas Market Moratorium.

<sup>7</sup> The Authority recognises that there would be instances where the number of customers and the number of customer accounts would be different.

## 6 Affordability

### Purpose

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

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

### Reported Indicators

No.	Indicator
RB 1	Number of residential customers on instalment payment plans
RB 2	Percentage of residential customers on instalment payment plans
RB 3	Number of non-residential customers on instalment payment plans
RB 4	Percentage of non-residential customers on instalment payment plans
RB 5	Number of residential customer direct debit plans terminated as a result of defaults
RB 6	Percentage of residential customer direct debit plans terminated as a result of defaults
RB 7	Number of non-residential customer direct debit plan termination as a result of defaults
RB 8	Percentage of non-residential customer direct debit plans terminated as a result of defaults

### Definitions

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

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

Note:

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

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

## 7 Disconnections for Non-Payment and Reconnections

### Purpose

To report on:

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

### Reported Indicators

No.	Indicator
RC 1	Number of residential customers disconnected for failure to pay
RC 2	Percentage of residential customers disconnected for failure to pay
RC 3	Number of non-residential customers disconnected for failure to pay
RC 4	Percentage of non-residential customers disconnected for failure to pay
RC 5	Number of residential customers disconnected previously on an instalment payment plan
RC 6	Percentage of residential customers disconnected previously on an instalment payment plan
RC 7	Number of residential customers disconnected within the past 24 months
RC 8	Percentage of residential customers disconnected within the past 24 months
RC 9	Number of government funded rebate customers disconnected
RC 10	Percentage of government funded rebate customers disconnected
RC 11	Number of residential customers reconnected within 7 days
RC 12	Percentage of residential customers reconnected within 7 days
RC 13	Number of non-residential customers reconnected within 7 days
RC 14	Percentage of non-residential customers reconnected within 7 days
RC 15	Number of residential customers reconnected previously on an instalment payment plan
RC 16	Percentage of residential customers reconnected previously on an instalment payment plan
RC 17	Number of residential customers reconnected who were previously disconnected within the past 24 months
RC 18	Percentage of residential customers reconnected who were previously disconnected within the past 24 months
RC 19	Number of government funded rebate customers reconnected
RC 20	Percentage of government funded rebate customers reconnected

### Definitions

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

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

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

**Disconnection of Government funded rebate customer** means disconnection of a residential customer who receives a government funded rebate or State Government administered energy concession through the Federal Concession Card scheme for failure to pay.

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

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

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

**Reconnection of a customer who was previously disconnected within the past 24 months** means a customer whose supply was reconnected and who has been disconnected on one or more occasions in the previous 24 months.

**Reconnection of Government funded rebate customer** means the reconnection of a customer who received a government funded rebate or State Government administered energy concession through the Federal Concession Card scheme at the time of disconnection.

Note:

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

The terms failure to pay and non-payment have the same meaning for the purposes of interpreting the definitions in this handbook.

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

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

## 8 Security Deposits

### Purpose

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

### Reported Indicators

No.	Indicator
RD1	Number of residential customers who have lodged security deposits
RD2	Percentage of residential customers who have lodged security deposits
RD3	Number of non-residential customers who have lodged security deposits
RD4	Percentage of non-residential customers who have lodged security deposits

### Definitions

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

## 9 Contact Centre Performance

### Purpose

To report on the level of service provided to customers who contact the retailer by telephone<sup>8</sup>.

### Reported Indicators

No.	Indicator
RE1	Total number of telephone calls to an operator
RE2	Number of operator calls responded to within 30 seconds
RE3	Percentage of operator calls responded to within 30 seconds
RE4	Average wait before call answered by operator (secs)
RE5	Percentage of calls that are unanswered

### Definitions

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

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

Note:

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

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

<sup>8</sup> Reporting against these indicators is mandatory for retailers who operate a contact centre that is capable of automatically recording some or all of the responsiveness indicators. Retailers who have other systems to handle customer calls may report on those responsiveness indicators that they record on a voluntary basis.

## Calculations

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

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

Note:

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

## 10 Complaints

### Purpose

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

### Reported Indicators

No.	Indicator
RF1	Total number of residential customer complaints
RF2	Residential billing complaints as a percentage of total complaints
RF3	Residential marketing complaints as a percentage of total complaints
RF4	Residential transfer complaints as a percentage of total complaints
RF5	Residential other complaints as a percentage of total complaints
RF6	Percentage of residential complaints concluded within 21 days
RF7	Total number of non-residential complaints
RF8	Non-residential billing complaints as a percentage of total complaints
RF9	Non-residential marketing complaints as a percentage of total complaints
RF10	Non-residential transfer complaints as a percentage of total complaints
RF11	Non-residential other complaints as a percentage of total complaints
RF12	Percentage of non-residential complaints concluded within 21 days

### Definitions

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

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

Note:

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

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

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

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

