



REVIEW OF ENERGY RETAIL PERFORMANCE INDICATORS

FINAL DECISION

MAY 2013



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1 EXECUTIVE SUMMARY

The Essential Services Commission (the Commission) has undertaken a review of its performance indicator framework ahead of the expected transition to the National Energy Customer Framework (NECF).

The purpose of the review was to align, where appropriate, to similar indicators used by the Australian Energy Regulator (AER). This will:

- support the expected transition of performance monitoring and reporting functions to the AER; and
- create a uniform reporting framework for retailers operating across different jurisdictions.

The review has also enabled the Commission to streamline the data set, improve terminology and clarify definitions.

The Commission began its stakeholder consultation with a Staff Consultation Paper.

The Commission received submissions from a number of retailers and also from the Energy and Water Ombudsman (Victoria) (EWOV). To discuss the issues raised by these submissions, the Commission held a workshop with key stakeholders and reviewed items raised by EWOV. The Commission then considered all of the issues and subsequently produced its Final Decision.

Summary of changes to performance indicators

Some of the more notable changes are:

- Disaggregation of customer numbers by standard retail or market retail contract for both residential and small business for the 2013-14 reporting year, in accord with the NECF.
- Changes to the definition of budget instalment plans to align with the definition used in the NECF.
- Removal of the indicators regarding direct debit payments, due to the lack of meaningful data it provides.
- The adoption of expanded and more meaningful indicators regarding the debts of hardship program participants, in order to enable more accurate analysis and to align with the NECF.
- Alignment of some call centre indicators with the equivalent NECF indicators.
- Removal of the wrongful disconnection payment (WDP) indicators to avoid duplication with information collected separately by the Commission.

Implementation of the proposed changes

The 2012-13 indicators will incorporate those changes which are minor and do not seek to materially change the nature of the data collected. In addition, indicators that are to be removed will be removed at this time.

The remaining changes will be implemented for the 2013-14 reporting period. By publishing the specifications now, the Commission is allowing time for retailers to alter their data capture systems from 1 July 2013.



2 INTRODUCTION

2.1 Purpose of review

Responsibility for performance monitoring and reporting for some jurisdictions is being transferred to the Australian Energy Retailer (AER). The Commission, however, will retain this role for Victorian retail energy and will continue to collect data from retailers and produce performance reports for the foreseeable future.

We have seen the need for some time to review our indicators to streamline the data set, improve terminology and clarify definitions to provide certainty for energy retailers when undertaking to complete the data collection and reporting requirements. With the postponement of the transfer of the performance monitoring and reporting function to the AER on 1 July 2012, it was considered timely to proceed with this review.

The intention was also to align, where appropriate, to similar AER indicators. This review will:

- support a transition of performance monitoring and reporting functions to the AER
- create a uniform reporting framework for retailers operating across jurisdictions

2.2 The review process

The Commission released a Staff Proposal paper in December 2012. It received submissions from seven retailers and also from the Energy and Water Ombudsman (Victoria) (EWOV). There was good support for the proposal to clarify indicators and their definitions. A number of retailers did, however, raise concerns about making changes to the way they collect and report performance indicator data to us, particularly where these changes do not align completely with the NECF.

The Commission held a workshop with retailers to provide an open forum from which the review could be progressed. We introduced revised recommendations for consideration at the workshop.

The workshop was held in March 2013 and was well-attended by retailers and representatives of the AER. At the workshop, we discussed the issues we saw with the current performance indicators and debated both the initial recommendations put forth in our Staff Consultation Paper and the revised recommendations in the Briefing Paper.

The Final Decision reflects consideration of all the issues raised.

2.3 Structure of this paper

Each chapter recaps existing definitions, provides comparison to the AER's equivalent indicator (where applicable) and a discussion of the risks associated with making changes to the indicator or its definition. This is followed by a discussion of the issues considered by the Commission (raised in submissions or at the workshop) and a final decision.

The chapters group like indicators:



- Chapter 3: Background indicators (that is, customer classifications and numbers)
- Chapter 4: Disconnection and reconnection indicators (that is, billing methods and issues, disconnections and reconnections)
- Chapter 5: Financial Hardship Program indicators
- Chapter 6: Call Centre and Complaints indicators
- Chapter 7: Wrongful Disconnection Complaints indicators

Implementation of the new indicators will occur in two steps, as outlined in:

- Appendix A: *'Energy Retail Performance Indicators – Reporting Requirements and Guidelines for Victorian Energy Retailers' 2012-13*
- Appendix B: *'Energy Retail Performance Indicators – Reporting Requirements and Guidelines for Victorian Energy Retailers' (to take effect from 2013-14)*



3 BACKGROUND INDICATORS (CUSTOMER NUMBERS)

The Commission will continue to collect data from retailers about the number of retail customers in various categories (based on their level of energy consumption), reported separately for electricity and gas, residential and business.

Most background indicators required changes to definitions to improve clarity and minimise confusion for retailers when undertaking to meet reporting requirements. For example, we have added “*at the last day of each calendar month during the reporting period*” in most definitions.

In addition, current definitions only reference electricity so we will make changes to include gas terminology, such as *MIRN* (the meter identifier for gas supply).

3.1 Recommendations

Monthly versus quarterly data collection

We will continue to request retailers to collect monthly data, reported to us biannually. Retailers' systems are already established, as are the Commission's. It will enable us to continue our historical data analysis that relies on monthly numbers.

Consumption bands for electricity small business customers

We currently ask retailers to report the number of electricity business customers according to a range of consumption levels – that is, businesses consuming less than 40 MWh a year, consuming 40-160 MWh, 160-750 MWh and more than 750 MWh. The AER distinguishes small (those consuming less than 100 MWh) from large business customer (those consuming 100 MWh or more).

We will retain our existing consumption bands, with a change only to request retailers split the range 40-160 MWh into 40-100 MWh and 100-160 MWh as agreed at the workshop, commencing the 2013-14 reporting year.

This would align to the AER and provide consistency of reporting during the expected transition to NECF and the AER indicator set. It was noted by retailers that this data is obtained via MSATS average daily load and could vary month to month around the 100 MWh threshold.

Consumption bands for gas small business customers

The AER collects business gas customer numbers disaggregated by consumption; small (those consuming less than 1000 GJ) and large (those consuming more than 1000 GJ). It was agreed at the workshop we will adopt these threshold changes from the 2013-14 reporting year to align our reporting requirements with the AER, consistent with the NECF and the National Energy Retail Law (NERL).



Standard and Market Contracts

The AER requests customer numbers, both residential and small business, disaggregated by standard retail or market retail contract. As agreed at the workshop, we will introduce this performance reporting measure for the 2013-14 reporting year, in accord with the NECF.

3.2 Recommendations for each indicator

ESC Indicator	AER Reference
Retail Electricity Customers – Residential	S2.1.a.i / S2.2.a.i
Current definition	
A customer who purchases energy principally for personal, household or domestic use at the relevant supply address.	
Initial discussion	
The AER’s definition of a customer follows that set out in the NERL: “A customer is a person to whom energy is sold for premises by a retailer; or who proposes to purchase energy for premises from a retailer.” While a residential customer is defined as “a customer who purchases energy principally for personal, household or domestic use at premises”.	
Initial recommendation	
Align our indicator to the AER by separating into two indicators: ‘Residential Electricity Customers on standard retail contracts’ defined as: <i>The number of customers as at the last day of each calendar month during the reporting period who purchase electricity under a standard retail contract, principally for personal, household or domestic use at premises.</i> ‘Residential Electricity Customers on market retail contracts’ defined as: <i>The number of customers as at the last day of each calendar month during the reporting period who purchase electricity under a market retail contract, principally for personal, household or domestic use at premises.</i>	
Final decision	
Proceed as per the initial recommendation from the 2013-14 reporting year.	



ESC Indicator	AER Reference
Customers – Non-residential < 40 MWh p.a.	S2.1.a.ii / S2.2.a.ii
Current definition	
The number of non-residential retail electricity customers consuming less than 40 MWh of electricity per annum.	
Initial discussion	
As mentioned under section 2.2 above, the AER requests small business customer data which is disaggregated according to standard retail or market retail contracts. We can see the value in this.	
Initial recommendation	
Align our indicator to the AER by separating into two indicators: ‘Small Business Electricity Customers on standard retail contracts’ defined as: <i>The number of non-residential retail customers as at the last day of each calendar month during the reporting period, who purchase electricity for business premises under a standard retail contract and consume less than 40 MWh a year.</i> ‘Small Business Electricity Customers on market retail contracts’ defined as: <i>The number of non-residential retail customers as at the last day of each calendar month during the reporting period, who purchase electricity for business premises under a market retail contract and consume less than 40 MWh a year.</i>	
Final decision	
Proceed as per the initial recommendation from the 2013-14 reporting year.	



ESC Indicator	AER Reference
Customers – Non-residential 40-160 MWh p.a.	S2.1.a.ii / S2.2.a.ii-iii
Current definition	
The number of non-residential retail electricity customers consuming between 40 and 160 MWh of electricity per annum.	
Initial recommendation	
Align our indicator to the AER by separating into two indicators, while incorporating the new consumption threshold classification for business customers: 'Business Electricity' Customers defined as: <i>The number of business retail customers as at the last day of each calendar month during the reporting period, who purchase electricity for business premises on any contract type and consume between 40-100 MWh a year.</i>	
Final decision	
Introduce a new disaggregate of the 40-160mWh indicator; 40-100 MWh, from the 2013-14 reporting year. Business Electricity' Customers defined as: <i>The number of business retail customers as at the last day of each calendar month during the reporting period, who purchase electricity for business premises on any contract type and consume between 40-100 MWh a year and between 100-160 MWh a year.</i>	



ESC Indicator	AER Reference
Customers – non-residential 160-750 MWh p.a. and Customers – non-residential > 750 MWh p.a.	S2.2.a.iii
Current definition	
<p>The number of non-residential retail electricity customers consuming between 160 and 750 MWh of electricity per annum; and</p> <p>The number of non-residential retail electricity customers consuming more than 750 MWh of electricity per annum.</p>	
Initial recommendation	
<p>Align our indicator to the AER, while also incorporating the changes to consumption threshold classifications for business customers, by merging into one indicator:</p> <p>‘Business Electricity Customers’ defined as:</p> <p><i>The number of business retail customers, as at the last day of each calendar month during the reporting period, consuming more than 100 MWh of electricity a year.</i></p>	
Issues arising	
<p>On further consideration, we need to retain the lower threshold up to 160 MWh to meet existing information requirements of the Government.</p> <p>The resulting indicator will provide data which is more readily compared to historical data provided by retailers because it will simply be the sum of the two original indicators being replaced.</p>	
Revised recommendation	
<p>‘Business Electricity Customers’ defined as:</p> <p><i>The number of business retail customers, as at the last calendar day of each month during the reporting period on any contract type, consuming more than 160 MWh a year</i></p>	
Final decision	
Proceed as per the revised recommendation from 2013-14 reporting year.	



ESC Indicator	AER Reference
Retail Gas Customers – Residential	S2.1.b.i / S2.2.b.i
Current definition	
Not provided in the Information Specification.	
Initial discussion	
<p>As mentioned under section 2.2 above, the AER requests small customer data which is disaggregated according to standard retail or market retail contracts. We can see the value in this. In doing so, retailers will need to make the necessary changes to capture the added detail in gas customer data. Data reported in future could be easily reconciled with the past, if required, by simply adding the two gas residential customer indicators.</p>	
Initial recommendation	
<p>Align our indicator to the AER by separating into two indicators. Also, provide a definition specific to gas:</p> <p>‘Residential Gas Customers on standard retail contracts’ defined as:</p> <p><i>The number of customers as at the last day of each calendar month during the reporting period who purchase gas under a standard retail contract, principally for personal, household or domestic use at premises.</i></p> <p>‘Residential Gas Customers on market retail contracts’ defined as:</p> <p><i>The number of customers as at the last day of each calendar month during the reporting period who purchase gas under a market retail contract, principally for personal, household or domestic use at premises.</i></p>	
Final decision	
Proceed as per the initial recommendation from the 2013-14 reporting year.	



ESC Indicator	AER Reference
Retail Gas Customers – Business	S2.1.b.ii / S2.2.b.ii-iii
Current definition	
Not provided in the Information Specification.	
Initial discussion	
<p>As mentioned under section 2.2 above, the AER requires retailers to separate small business (those consuming less than 1000 GJ a year), small market offer customers and large customers (those consuming 1000 GJ or more) as well as disaggregated small customer data according to whether they are on a standard retail or market retail contract. We can see the value in seeking disaggregated data which is in accord with the National Energy Customer Framework (NECF).</p> <p>In doing so, retailers will need to make the necessary changes to capture the added detail in gas customer data. Data reported in future could be easily reconciled with the past, if required, by simply calculating the total of all gas business customer indicators.</p>	
Initial recommendation	
<p>Align our indicator to the AER, while incorporating the new consumption threshold classifications for business customers, by introducing a number of disaggregated indicators as follows:</p> <p>‘Small Business Gas Customers on standard retail contracts’ defined as:</p> <p><i>The number of non-residential customers as at the last day of each calendar month during the reporting period, who purchase gas for business premises under a standard retail contract and consume less than 1000 GJ a year.</i></p> <p>‘Small Business Gas Customers on market retail contracts’ defined as:</p> <p><i>The number of non-residential customers as at the last day of each calendar month during the reporting period, who purchase gas for business premises under a market retail contract and consume less than 1000 GJ a year.</i></p> <p>‘Large Retail Gas Customers’ defined as:</p> <p><i>The number of retail customers, as at the last day of each calendar month during the reporting period, consuming more than 1000 GJ of gas a year.</i></p>	
Final decision	
Proceed as per the initial recommendation from the 2013-14 reporting year.	



4 DISCONNECTION AND RECONNECTION INDICATORS

4.1 Introduction

We collect data against a range of indicators to evaluate retailers' credit management policies and measure the number of disconnections and reconnections for residential and business customers.

4.2 Harmonisation of indicators with the AER

The AER collects many of the same disconnection and reconnection indicators (as shown by the AER Reference number alongside in the table). It does not, however collect information on estimated accounts and direct debit plan defaults. The disconnections and reconnections indicators, including most of those cross-referenced with the other variables, are generally consistent between jurisdictions.

A common point of difference is that the AER requests quarterly data for many of these indicators while in most cases we request monthly data. Where quarterly data is averaged over a year for the purpose of analysis and inclusion in the Commission's *Energy Retailers Comparative Performance Report* (Performance Report), this produces a value different to monthly data averaged over a year.

As such, the Commission considers it sensible to continue to request monthly data from retailers to continue its trend analysis.

For both the Commission and the AER, data is reported separately for electricity and gas customers. This will not change.

4.3 Clarification of definitions

The Commission's view is that most disconnection and reconnection indicators would benefit from changes to definitions to improve clarity and provide greater certainty for retailers when undertaking to meet reporting requirements. For example, the words "(number of disconnections) *during each month within the reporting period*" have been added to specify the point of time for capturing data – though we consider the risk of retailers reporting inconsistent disconnections data has been low to date. Other indicators, however, could benefit from more substantial amendments.



4.4 Recommendations for each indicator

ESC Indicator	AER Reference
Estimated accounts	–
Current definition	
Total number of relevant customers who have received estimated accounts. The estimated accounts KPI does not include estimated bills where informed consent has occurred between a customer and retailer for innovative products.	
Initial discussion	
<p>The AER does not collect this data nor has the data reported been included in the Commission's recent performance reports. There is much conjecture surrounding estimated accounts as an indicator of a (potentially) inaccurate billing method which may cause financial hardship to customers once an actual meter reading is obtained at a later date, allowing for accounts to be reconciled.</p> <p>There is the matter of estimated accounts not being in the direct control of retailers because meter readings are the responsibility of distributors. Although, if it were this simple, we might expect all retailers to report a similar rate of estimated accounts – yet this is not the case. So, what are some retailers doing differently to rely less on estimated accounts? Or, are the variations in reported numbers due to a lack of clarity in the definition? With so many retailers offering monthly billing which implies the customer's informed consent for estimated accounts, are these retailers not counting those bills coinciding with scheduled meter reads (for example, quarterly in the case of electricity)? If a clearer definition would produce more robust data then we consider the following an improvement:</p> <p style="padding-left: 40px;"><i>The number of estimated bills issued during the reporting period; for example, where a customer's meter was not accessible on the day of a scheduled meter read. If a retailer has obtained explicit and informed consent from a customer to use estimated accounts, for example, for the purpose of monthly billing (bill-smoothing), these bills are not counted.</i></p> <p>We also need to consider the role of the estimated accounts indicator given the roll-out of electricity smart meters in recent years.</p>	
Initial recommendation	
<p>Retain the estimated accounts indicator, with the definition amended as proposed above, and monitor future data reported to ascertain whether this change has improved clarity for retailers.</p> <p>Undertake stakeholder consultation with regard to the indicator's application to smart meters.</p>	
Issues arising	
<p>Submissions indicated a lack of support for continuance of reporting Estimated Accounts, they highlighted that the proposed definition is not clear yet. We will work through the definition in the workshop to ensure it is accurate. We note that the ESC has an ongoing role in non-economic distribution and as such will continue to monitor estimated accounts.</p>	
Revised recommendation	
<p>Based on outcome of discussion at the retailer workshop, we will determine whether to retain the previous recommendation or proceed with an alternative. The implementation date will also be determined following consideration of the impact of any changes to the indicator definition.</p>	



Workshop discussion

Retailers questioned the relevance of estimated accounts as an indicator of affordability with the increasing expansion of smart meters. With almost half of Victorian meters having been replaced with smart meters, having the ability to be remotely read over 48 half-hourly intervals each day, the requirement for estimated accounts has been reduced substantially. Data is stored on meters so even if a remote read fails due to a connection issue, these historical reads can still be obtained. Only a faulty smart meter or those accounts without a smart meter installed continue to be an issue.

Retailers pointed out that distributors may be a better source of this data and in a better position to explain variances.

The Commission will continue to monitor estimated accounts with the view that they should decrease in number proportionally to the increase in remotely read smart meters. The indicator will be reviewed regularly with this expectation in mind.

Final decision

The initial recommendation will be implemented from the 2012-13 reporting period.



ESC Indicator	AER Reference
Budget instalment plans	S3.13
Current definition	
<p>An arrangement between a retailer and a customer for the customer to pay arrears and continued usage charges 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. Budget instalment plans generally involve at least three (3) instalments, by arrears or advance, taking into account their capacity to pay and enable the customer to continue to receive supply and avoid disconnection.</p>	
Initial discussion	
<p>The AER equivalent 'Number of residential customers on a payment plan' (the AER does not collect payment plan data for business customers) is fairly consistent with our indicator, though more prescriptive and therefore, better defined. For example, the AER definition states "A <i>payment plan... must consist of at least three instalments</i>" rather than "<i>Budget instalment plans generally involve at least three instalments</i>". We consider a more prescriptive definition would ensure consistency in data reported by retailers.</p> <p>The main point of difference is their exclusion of hardship program customers, resulting in more meaningful data. (It is assumed that hardship program customers have payment plans in place. Therefore, of concern is the number of customers who are repaying debts via a payment plan yet are not in a retailer's financial hardship program.)</p> <p>If we align with the AER on this point of difference it will affect trend analysis but the data will enable enhanced monitoring. Retailers will also need to change their method of capturing the data to exclude hardship program customers.</p> <p>The AER also requests additional payment plan data (AER reference S3.14-16) which we do not consider necessary to monitor.</p>	
Initial recommendation	
<p>Align our definition and terminology to the AER by changing the indicator to: 'Instalment payment plans' defined as:</p> <p><i>The number of customers (excluding hardship program customers) with an instalment payment plan in place on the last day of each month within the reporting period (for example, 31 March, 30 April, etc.)</i></p> <p><i>Further guidance:</i></p> <ul style="list-style-type: none"> – <i>An instalment payment plan is an arrangement between a retailer and a customer who is experiencing payment difficulties, for the customer to pay arrears and continued usage on their account according to an agreed payment schedule and their capacity to pay.</i> – <i>Customers using a payment plan as a matter of convenience or for flexible budgeting purposes are not to be counted for the purposes of reporting this indicator.</i> – <i>Must involve at least three instalments.</i> – <i>The key point is that the arrangements enable the customer to continue to receive supply and avoid disconnection.</i> – <i>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 payment plan.</i> 	



Issues arising
Submissions supported the definition changes. We will consider collecting disaggregated data for payment plans (those on a hardship plan and those not), allowing the historical trend analysis to continue.
Revised recommendation
Based on outcome of discussion at the retailer workshop, we will determine whether to retain the previous recommendation or proceed with an alternative. The implementation date will also be determined following consideration of the impact of any changes to the indicator definition.
Workshop discussion
<p>Retailers confirmed all hardship customers have instalment payment plans in place. This qualifies the AER's reasoning for excluding hardship customers from the count of instalment payment plans.</p> <p>There was discussion around how individual retailers apply this indicator in practical terms. The onus will be on retailers to identify those customers who have plans in place because they are experiencing payment difficulties.</p> <p>To enable the Commission to compare ongoing and historical data while also enabling the AER to strip out the data of interest to their analysis, the Commission will implement the proposed definition commencing the 2013-14 reporting year, with the following variation:</p> <p><i>The number of customers (disaggregated according to whether in a retailer's hardship program or not) with an instalment payment plan in place on the last day of each month within the reporting period (for example, 31 March, 30 April, etc.)</i></p>
Final decision
<p>To implement the proposed definition commencing the 2013-14 reporting year, with the following variation:</p> <p><i>The number of customers (disaggregated according to whether in a retailer's hardship program or not) with an instalment payment plan in place on the last day of each month within the reporting period (for example, 31 March, 30 April, etc.)</i></p>



ESC Indicator	AER Reference
Refundable advances – number and amount	S3.28 and S3.29
Current definition	
<p>The number of customers who have paid a refundable advance (security deposit) to secure connection or reconnection to supply.</p> <p><i>There is no definition of “amount” in the Commission’s Information Specification.</i></p>	
Initial discussion	
<p>The AER’s terminology is ‘security deposits’. We cannot see the value in moving away from the term ‘refundable advance’. However, we need to define “amount” and with no current definition, it seems appropriate to align with the AER.</p> <p>The data reported for this indicator was analysed but not published by the Commission in its most recent performance report. We found that the use of refundable advances has all but come to an end, particularly for residential customers. We will continue to monitor this situation going forward.</p>	
Initial recommendation	
<p>Align our definition to the AER, while improving clarity:</p> <p>‘Refundable advances – number’ defined as:</p> <p><i>The number of customers who have paid a refundable advance (security deposit) to secure connection or reconnection to supply energy as at the last day of each month within the reporting period.</i></p> <p>‘Refundable advances – amount’ defined as:</p> <p><i>The aggregate dollar value of all refundable advances (security deposits) held by the retailer as at the last day of each month within the reporting period.</i></p>	
Issues arising	
<p>Submissions support the recommendation.</p>	
Final decision	
<p>The initial recommendation will be implemented from the 2012-13 reporting period.</p>	



ESC Indicator	AER Reference
Direct debit customers	–
Current definition	
Not provided in the Information Specification.	
Initial discussion	
<p>There has been some confusion around this indicator over the past few years, including the way we analyse and report the data (for example, incorrectly reporting as the number of direct debit transactions). Providing greater clarity should resolve this and result in more meaningful data.</p> <p>This indicator is intended to separately capture the number of residential and business customers with a direct debit plan/facility; that is, paying their energy bills by direct debit. This could then be analysed and reported as a percentage of total customer numbers to indicate the take-up of direct debit as a payment method (relevant because many retailers offer discounts for payments made on time and/or by direct debit so it would be expected that direct debit becomes the payment method of choice).</p> <p>The AER does not request this data from retailers but does collect similar data, such as the number of residential customers using Centrepay as a payment method (AER reference S3.12). We can see how it may be appropriate to include Centrepay arrangements in the direct debit indicator as it too is a regular and ongoing payment arrangement – one which the retailer may have established on behalf of the customer. We will seek comments from retailers.</p>	
Initial recommendation	
<p>Introduce the following definition and monitor the data reported going forward to ascertain whether this results in clear, consistent and meaningful data:</p> <p><i>The number of customers with direct debit arrangements in place on the last day of each month within the reporting period. This includes Centrepay arrangements. Note: The number of direct debit transactions processed during the month <u>is not</u> to be reported under this indicator.</i></p>	
Issues arising	
<p>Submissions recommended removing this indicator, most felt this is a method of payment that does not provide meaningful data when analysed. We agree with this and support the remove of the Direct debit indicators.</p>	
Final decision	
Remove this indicator from the specifications, effective from the 2012-13 reporting year.	



ESC Indicator	AER Reference
Direct debit plan terminations	–
Current definition	
<p>The number of direct debit plans cancelled as a result of default/non-payment. By definition, this excludes the cancellation of direct debit 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 payment periods are determined by the individual customer's arrangements so may relate to two fortnights, two quarters, etc.</p>	
Initial discussion	
<p>The termination of a direct debit payment arrangement is considered an unambiguous indication of financial stress. The fact that the retailer has cancelled the arrangement due to non-payment indicates that a serious situation has occurred.</p> <p>The terminology we use could be improved to provide greater clarity.</p> <p>Also, the termination of Centrepay arrangements should be included, consistent with the former indicator 'Direct debit customers'. 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.</p>	
Initial recommendation	
<p>Change indicator to:</p> <p>'Direct debit cancellations – as a result of defaults' defined as:</p> <p><i>The number of direct debit arrangements cancelled within the reporting period due to direct debit payments being rejected for processing by the customer's bank.</i></p> <p><i>Further guidance:</i></p> <ul style="list-style-type: none"> – <i>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.</i> – <i>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 a different payment method.</i> – <i>The term 'two successive payment periods' is considered specific to each customer and is determined by their individual direct debit arrangements, so may relate to two fortnights or two quarters, etc.</i> – <i>Termination of Centrepay arrangements is included.</i> 	
Issues arising	
<p>Submissions recommended removing this indicator, most felt this is a method of payment that does not provide meaningful data when analysed. We agree with this and support the remove of the Direct debit indicators.</p>	
Final decision	
<p>Remove this indicator from the specifications, effective from the 2012-13 reporting year.</p>	



ESC Indicator	AER Reference
Disconnections	S3.24.a / S3.24.b
Current definition	
The number of small customers whose supply was disconnected for non-payment; that is, due to their failure to pay an amount owed. Note: Refers to the numbers of occasions where disconnection has occurred. For example, if a customer is disconnected twice in a reporting period, two disconnections must be reported.	
Initial discussion	
The AER definition only differs in that further guidance is provided around the meaning of disconnection. Like the AER, we require monthly data for disconnections.	
Initial recommendation	
Change our definition to align with the AER and improve clarity: <i>Reported separately for electricity and gas under each customer category below, the number of customers whose supply was disconnected for non-payment during each month in the reporting period. Note: If a customer was disconnected twice in the same month, this is counted as two disconnections.</i> (a) Residential customers (b) Small business (including small market offer) customers; that is, those consuming less than 100 MWh of electricity or 1000 GJ of gas a year. <i>Note: Premises that are vacant at the time of disconnection should be excluded. Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.</i>	
Issues arising	
Submissions indicated support for change, although Simply Energy queried whether the indicator includes 'occupant accounts'. This will be discussed at the retailer workshop. We have also considered the need to retain our existing definition of a 'small customer' to reflect the Code (only those customers consuming less than 40 MWh of electricity and 1000 GJ of gas a year) which was not previously specified in this indicator. We will confirm that retailers have been reporting to this consumption threshold as we have found errors in our own calculations in reporting disconnections. We will remove the proposed reference to including small market offer customers.	
Revised recommendation	
As previously recommended, with amendment as follows: (b) <i>Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.</i> As this is now only a tightening of the existing definition, not a material change, this will become effective for the full 2012-13 reporting period.	
Workshop discussion	
Retailers confirmed they have been reporting only disconnections of small business customers consuming below the thresholds in the ERC, despite the lack of clarity in our current definition. There was a discussion around 'occupant accounts' and the inclusion or otherwise of disconnections of unknown account holders. Retailers concluded the only way they could be certain of excluding vacant premises in this indicator is to count only those disconnections for non-payment where there is a customer name recorded on the account.	
Final decision	
To proceed as per the revised recommendation from the 2012-13 reporting year.	



ESC Indicator	AER Reference
Reconnections within 7 days	S3.25.a / S3.25.b
Current definition	
The number of small customers whose supply was reconnected in the same name and at the same address within 7 days following disconnection for non-payment.	
Initial discussion	
The AER definition only differs in that further guidance is provided around the meaning of reconnection and the 7 day timeframe. Like the AER, we require monthly reconnections data.	
Initial recommendation	
Change our definition to align with the AER and improve clarity: <i>Reported separately for electricity and gas under each customer category below, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for non-payment during each month in the reporting period.. Note: If a customer was disconnected twice in the same month, this is counted as two disconnections.</i> <i>(a) Residential customers</i> <i>(b) Small business (including small market offer) customers; that is, those consuming less than 100 MWh of electricity or 1000 GJ of gas a year.</i> <i>Note: Only completed reconnections should be recorded. That is, where a reconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. The 7 days are inclusive, with the day of disconnection being counted as the first day, and include weekends.</i>	
Issues arising	
Submissions indicated support for this amendment. As per Disconnections, we will retain the existing small business customer consumption threshold for Reconnections, rather than increasing it to 100 MWh (for electricity).	
Revised recommendation	
As per Disconnections, the only amendment is as follows: <i>(b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.</i> Again, as this is now only a tightening of the existing definition, not a material change, this will become effective for the full 2012-13 reporting period.	
Workshop discussion	
There was a discussion around the 7 day timeframe. Given we will be introducing the additional AER indicator 'All Residential Reconnections', we will not be extending beyond 7 days under this indicator.	
Final decision	
To proceed as per the revised recommendation, effective from the 2012-13 reporting year.	



ESC Indicator	AER Reference
All residential reconnections	S3.26
Issues arising	
<p>We have considered the AER indicator and, supported by one retailer submission, we can see the value in collecting data about all reconnections (not just those within 7 days of disconnection for non-payment). This data should complete the picture of reconnections. Simply Energy suggests “The AER measurement can highlight to industry any areas of the reconnection process for industry to improve upon.”</p>	
Initial Recommendation	
<p>We propose to collect quarterly data and adopt the AER definition below:</p> <p style="text-align: center;"><i>Reported separately for electricity and gas, the total number of residential customers reconnected in the same name and at the same address (regardless of the date of disconnection) during the reporting period.</i></p> <p>We will implement this indicator from the start of the 2013-14 reporting period to allow retailers time to make any necessary system changes.</p>	
Workshop discussion	
<p>No objections were raised at the workshop</p>	
Final decision	
<p>To proceed as per the initial recommendation from the 2013-14 reporting year.</p>	

For the following indicators we collect biannual numbers, rather than monthly data, in respect of residential customers only. The AER however, collects total numbers for each quarter, sometimes for each month during the quarterly reporting period. It is not recommended that we change the reporting period as this serves little purpose and may affect historical trend analysis.



ESC Indicator	AER Reference
Disconnections previously on a budget instalment plan	S3.24.e
Current definition	
The number of residential customers whose supply was disconnected for non-payment and who were on a budget instalment plan in the previous 24 months.	
Initial discussion	
The AER's definition is confined to customers who were on a payment plan within the previous (shorter time period of) 12 months. Given this difference, we would expect higher numbers reported to the Commission than to the AER. If we amend our definition to align with the AER, any comparison with historical data will need to come with a warning of possible inaccuracies.	
Initial recommendation	
Adopt new term 'Instalment payment plan' in the title and clarify the definition, though not aligned with the AER: 'Disconnections previously on an instalment payment plan' defined as: <i>The number of residential customers disconnected for non-payment during the reporting period that were on an instalment payment plan in the previous 24 months. Note: If a customer is disconnected twice in the same reporting period, this is counted as two disconnections.</i>	
Issues arising	
Submissions indicated a general support for this minor amendment, though there is preference to align to the AER's 12 month timeframe. We will discuss with retailers the general sequence of events for customers coming off instalment payment plans. It would be helpful to gain an understanding of the customers being counted in this indicator; have they only just been on an instalment payment plan or has it been some time?	
Revised recommendation	
Based on outcome of discussion at the retailer workshop, we will determine whether to retain the previous recommendation or proceed with an alternative. The implementation date will also be determined following consideration of the impact of any changes to the indicator definition.	
Workshop discussion	
Retailers' experience shows customers disconnected for non-payment have usually recently been on an instalment payment plan unless the customer was unable to be contacted (or is unknown). If retailers are to exclude those 'unknown' accounts from disconnections for non-payment, this will flow through to this indicator and all other disconnection and reconnection indicators. This minimises the risk of counting vacant premises in any of the disconnection and reconnection indicators. We consider that restricting our indicator to those disconnections previously on a plan within the last 12 months (instead of 24 months) will continue to capture relevant customers, perhaps even more so. Accordingly, we will adopt the AER definition rather than implement our previous recommendation, commencing the 2013-14 reporting year.	
Final decision	
To adopt the AER 12 month timeframe for ' <i>Disconnections previously on an instalment payment plan</i> ' from 2013-14	



ESC Indicator	AER Reference
Disconnections in the same name and address within past 24 months	S3.24.f
Current definition	
The number of residential customers whose supply was disconnected for non-payment and who have been disconnected for non-payment on one or more occasions in the previous 24 months.	
Initial discussion	
No difference between the Commission and AER, apart from the reporting period.	
Initial recommendation	
Simplify the title of our indicator to: ' Disconnections on more than one occasion ' and clarify our definition: <i>The number of residential customers disconnected for non-payment during the reporting period who have been disconnected at least once before in the previous 24 months.</i> <i>Note: If a customer is disconnected twice in the same reporting period, this is counted as two disconnections.</i>	
Issues arising	
Submissions support the definition clarity	
Final decision	
To proceed as per the initial recommendation from the 2012-13 reporting year.	



ESC Indicator	AER Reference
Disconnections of Concession Cardholders	S3.24.d
Current definition	
The number of residential customers whose supply was disconnected for non-payment and who are eligible for State Government administered energy concessions through the Federal Concession Card Scheme.	
Initial discussion	
Our definition refers to <i>State Government administered energy concessions</i> while the AER definition of an energy concession customer is “a residential customer that is recorded by the retailer as being entitled to receive an energy concession, where the concession is administered or delivered by the retailer.”	
The intent of this indicator is, however, the same and it could be expected that retailers are effectively capturing the same data.	
Initial recommendation	
Change our indicator to align with the AER: ‘Disconnections of energy concession customers’ defined as: <i>The number of energy concession customers disconnected for non-payment during the reporting period. Note: An energy concession customer is a residential customer that is recorded by the retailer as being entitled to receive an energy concession, where the concession is administered by the retailer.</i>	
Issues arising	
Submissions supported the recommendation. We will, however, discuss at the workshop whether or not the AER definition proposed previously is appropriate in practice in Victoria. Are energy concessions administered by retailers?	
Revised recommendation	
Based on outcome of discussion at the retailer workshop, we will determine whether to retain the previous recommendation or proceed with an alternative.	
Workshop discussion	
Retailers explained that energy concessions are administered by the retailer in Victoria for those customers recorded and verified as eligible. State Government only administers the grants and these are not counted under this indicator. Retailers highlighted that in practice there is a verification period before a customer starts to receive their energy concession and requested the wording of the definition to refer to “ <i>eligible and are receiving an energy concession</i> ”. We see this may provide clarity and ensure only those customers who have been verified as eligible are counted. Accordingly, we will proceed with implementing the AER definition, amended to include “ <i>eligible and are receiving an energy concession</i> ”, effective immediately as we consider there is no material change in reality.	
Final decision	
To implement the AER indicator definition as per the initial recommendation, amended to include “ <i>eligible and are receiving an energy concession</i> ”, from 2012-13.	



ESC Indicator	AER Reference
Reconnections previously on a budget instalment plan	S3.25.e
Current definition	
The number of residential customers whose supply was reconnected in the same name and at the same address within 7 days following disconnection for non-payment and who were on a budget instalment plan in the previous 24 months.	
Initial discussion	
As per 'Disconnections previously on a budget instalment plan'.	
Initial recommendation	
Adopt new term 'Instalment payment plan' in the title and clarify our definition, though not aligned with the AER: 'Reconnections previously on an instalment payment plan' defined as: <i>The number of residential customers reconnected during the reporting period within 7 days of being disconnected for non-payment, who had been on an instalment payment plan in the previous 24 months. Note: If a customer is reconnected twice in the same reporting period, this is counted as two reconnections.</i>	
Issues arising	
As per Disconnections previously on a budget instalment plan'. Submissions indicated a lack of support for continuance of our 24 month timeframe and a closer alignment with the equivalent AER indicator.	
Revised recommendation	
Based on outcome of discussion at the retailer workshop, we will determine whether to retain the previous recommendation or proceed with an alternative. The implementation date will also be determined following consideration of the impact of any changes to the indicator definition.	
Workshop discussion	
Based on the discussion around disconnections previously on an instalment payment plan, we will restrict our indicator to those reconnections previously on a plan within the last 12 months (instead of 24 months). We will adopt the AER definition rather than implement our previous recommendation, commencing the 2013-14 reporting year.	
Final decision	
To adopt the AER indicator definition as per the initial recommendation, commencing from the 2013-14 reporting year.	



ESC Indicator	AER Reference
Reconnections in the same name and address in the previous 24 months	–
Current definition	
The number of residential customers whose supply was reconnected in the same name and at the same address within 7 days following disconnection for non-payment and who have been disconnected for non-payment on one or more occasion in the previous 24 months.	
Initial discussion	
<p>The AER does not have an equivalent indicator but does collect the number of reconnections “regardless of the date of disconnection” (AER reference S3.26); that is, those customers reconnected in the same name and at the same address but not limited to being within 7 days of disconnection. If we consider introducing this indicator, there would need to be analysis of what the data is revealing.</p> <p>Further guidance is needed around the term “within the reporting period” because retailers report a biannual total only and we must be certain that customers with multiple reconnections within a six month period are counted accurately.</p>	
Initial recommendation	
<p>Simplify our indicator to: ‘Reconnections on more than one occasion’ and clarify our definition:</p> <p><i>The number of residential customers reconnected during the reporting period within 7 days of being disconnected for non-payment, who had been disconnected on at least one other occasion. Note: If a customer is reconnected twice in the same reporting period, this is counted as two reconnections.</i></p>	
Issues arising	
Submissions indicate a preference for the AER indicator S3.26 but we can see the value in continuing to collect data on multiple reconnections.	
Revised recommendation	
Proceed with amendments as proposed and introduce the separate indicator ‘All Residential Reconnections’.	
Workshop discussion	
Retailers did not object to the Commission retaining this indicator with the minor changes to wording in the definition.	
Outcome of workshop – Final decision	
To implement the revised recommendation from 2012-13.	



ESC Indicator	AER Reference
Reconnections of Concession Cardholders	S3.25.d
Current definition	
The number of residential customers whose supply was reconnected in the same name and at the same address within 7 days following disconnection for non-payment and who are eligible for State Government administered energy concessions through the Federal Concession Card Scheme.	
Initial discussion	
As per 'Disconnections of concession cardholders'.	
Initial recommendation	
Change our indicator to align with the AER: 'Reconnections of energy concession customers' defined as: <i>The number of energy concession customers reconnected in the same name and at the same address during the reporting period within 7 days of being disconnected for non-payment. Note: An energy concession customer is a residential customer that is recorded by the retailer as being entitled to receive an energy concession, where the concession is administered by the retailer.</i>	
Issues arising	
Submissions supported the recommendation. However Simply Energy only agrees subject to the removal of "within 7 days". We do not consider this appropriate at this time – we are interested in further profiling those customers reconnected within 7 days of disconnection for non-payment. There is also the parallel objective of aligning to the AER definition. The earlier discussion around who administers energy concessions in practice in Victoria will affect the final decision relating to this indicator.	
Workshop discussion	
Again, there was further discussion around the 7 day reconnection timeframe. Retailers highlighted their lack of control over reconnections at times, pointing out once more that distributors are often responsible for delayed reconnections. For the purpose of this review, we consider this discussion outside of the scope and will proceed with the immediate adoption of the AER definition for this indicator.	
Final decision	
To proceed with the initial recommendation to align with the AER indicator from 2012-13.	



5 FINANCIAL HARDSHIP PROGRAM INDICATORS

5.1 Introduction

Under the *Energy Legislation (Hardship, Metering and Other Matters) Act 2006*, all Victorian energy retailers must have a financial hardship policy for domestic customers approved by the Commission. Retailers' policies must incorporate specific provisions set out in the legislation, in particular the provision of energy audits and replacement appliances. Monitoring and reporting on the existing financial hardship indicators is intended to inform the Victorian Government, the Commission, industry and community about how effective retailers' financial hardship policies are in meeting their statutory obligations under the Act.

5.2 Harmonisation of indicators with the AER

At present we request retailers to report data under a single 'Energy' customer category, while the AER requests data separated by electricity and gas. We made the assumption that a customer who purchases both their electricity and gas supply from the same energy retailer is counted as just one hardship program participant by that retailer. Under the AER method of reporting 'hardship program' data, they would instead be counted twice (once in each energy category). We previously indicated we would continue single category reporting. Submissions varied with some indicating support for the Commission's methodology while others prefer the AER's treatment. These issues were discussed further at the workshop.

Questions for retailer workshop

- Do retailers record, collect and report separate customer numbers for electricity and gas hardship indicators?
 - A. Recording of hardship program customers differs among retailers, with some treating a customer with both fuel accounts as the one customer (as we had presumed would happen) while others distinguish by fuel type. Some customers have electricity and gas accounts with different retailers and may be on both retailers hardship programs
There was discussion around how seasonality can affect one fuel type at certain times of year; for example, higher gas bills in winter in the southern states. The impact is hidden in combined fuel recording.
- How do you define 'dual fuel' for your business?
 - A. 'Dual fuel' is defined as where the customer has purchased both electricity and gas under the one contract and receives one bill for both. It is fairly uncommon – most customers have separate contracts and billing even if purchasing both fuel types from the same retailer.
- For reporting purposes, how are any dual fuel customers counted?
 - A. Dual fuel customers, for those retailers that have them, are currently reported no differently for the hardship indicators.



5.3 Recommendations for each indicator

Overall, based on the discussions at the workshop, we consider it remains appropriate to continue collecting hardship customers under the single 'energy' category. We acknowledge this will suit some but not all retailers.

ESC Indicator	AER Reference
Hardship program participants	S4.1
Current definition	
The number of current participants in a retailer's hardship program as at the last day of each month within the reporting period (e.g. 31 March, 30 April, 31 May, etc).	
Initial discussion	
No difference between the Commission and AER. Further guidance within the definition will ensure consistent data is reported by retailers. This will not affect how retailers capture the data but will provide the Commission with certainty that the data is reliable.	
Initial recommendation	
We propose a minor change to the definition to provide guidance to retailers: <i>The number of current participants in a retailer's hardship program as at the last day of each month within the reporting period, reported under a single 'Energy' category.</i> <i>Additional guidance:</i> <i>No. of participants reported in the previous month</i> <i>+ new entrants into the program</i> <i>– total exits from the program</i> <i>= No. of participants reported as at the end of the current month</i>	
Issues arising	
Apart from the issue of reporting electricity and gas customer numbers separately for hardship, submissions support our clarifying the definition of this indicator. We will discuss the best method of analysing and reporting this indicator at the workshop, based on the decision regarding aggregating electricity and gas customers.	
Workshop discussion	
We will implement the proposed changes to include the guidance which retailers will commit to using to check the numbers reported under this indicator, commencing the 2013-14 reporting year. The reporting template will be altered to include an automatically calculated line for 'new entrants' (the check figure that retailers will be required to verify). Given we will continue collecting combined fuel hardship program participant numbers, we accept that our previous method of normalising these was inaccurate. There really is no way of normalising hardship participants so we will cease doing so. However, this indicator will remain the denominator for most other hardship indicators.	
Final decision	
To proceed as per the initial recommendation from 2013-14.	



New ESC indicator	AER Reference
New entrants into a retailer's hardship program	–
Initial discussion	
<p>We collect 'Average debt of new entrants into a hardship program', yet we do not collect the number of new entrants. This would enable the Commission to monitor participant numbers throughout the year and, by cross-referencing with exit numbers, validate other hardship indicators, including current numbers of participants.</p> <p>Retailers should not encounter problems capturing this data because it closely correlates to the next (existing) indicator 'Average debt of new entrants'.</p>	
Initial recommendation	
<p>We propose to introduce the following indicator:</p> <p>'New entrants into a retailer's hardship program' defined as:</p> <p style="padding-left: 40px;"><i>The number of customers accepted into a retailer's hardship program during each month within the reporting period.</i></p>	
Issues arising	
<p>Submissions varied in their support or otherwise for this new indicator. Most agree this would provide useful data but noted it is possible to calculate the value using the values already reported by retailers in the existing framework (see further guidance in the indicator Hardship program participants for the calculation)</p>	
Revised recommendation	
<p>We propose to introduce this indicator but it will be a value <i>automatically calculated</i> from other data fields on the reporting template. Retailers will be required to check this value is accurate before submitting the template. We plan to introduce this indicator, updating the reporting template to provide the necessary calculation from the 2013-14 reporting period.</p>	
Workshop discussion	
<p>There were no objections from retailers.</p>	
Outcome of workshop – Final decision	
<p>To proceed as per the revised recommended from 2013-14.</p>	



ESC Indicator	AER Reference
Hardship program participants for whom access was sought by a third party	–
Current definition	
<p>The number of current participants in a retailer’s hardship program as at the last day of each month within the reporting period for whom access to the program was sought on their behalf by a third party (e.g. a financial counsellor rang the retailer’s hardship team directly). Note: By default, this will also enable the Commission to calculate the remaining participants in a hardship program who were either identified by their retailer or who identified themselves.</p>	
Initial discussion	
<p>There is no equivalent AER indicator.</p> <p>Analysis of retailer-wide data over the past four years tells us that consistently around 6 to 7 per cent of hardship program participants fell into this category. (Individual retailers ranged up to 12 per cent.) The flip-side is that the remaining 93 per cent of participants either identified themselves to their retailer’s hardship team or were referred by their retailer’s own staff.</p> <p>This indicator was originally introduced to measure the effectiveness of a retailer’s processes to identify customers in financial hardship for entry into their program. We considered transparent and accessible programs key to the success of retailers’ hardship policies. Our expectation was that a higher or increasing rate of ‘self-referrals’ may indicate that a retailer’s policy was reaching its target audience. Also, referrals by retailer staff may also indicate awareness and sensitivity of these staff to customers experiencing financial hardship.</p> <p>The trend shows minimal change and reflects positively against our expectations. We consider there is little value in continuing to collect this data.</p>	
Initial recommendation	
<p>We propose to remove this indicator which also aligns with AER reporting requirements.</p>	
Issues arising	
<p>Submissions supported the removal of this indicator.</p>	
Final decision	
<p>To remove this performance indicator from 2012-13.</p>	



ESC Indicator	AER Reference
Hardship program participants who are concession cardholders	S4.2
Current definition	
<p>The number of current participants in a retailer’s hardship program as at the last day of each month within the reporting period who are eligible for State Government administered energy concessions through the Federal Concession Card Scheme. Note: By default, this will also enable the Commission to calculate the remaining participants in a hardship program who are non-concession cardholders.</p>	
Initial discussion	
<p>Our definition refers to State Government administered energy concessions while the AER definition of an energy concession customer is “a residential customer that is recorded by the retailer as being entitled to receive an energy concession, where the concession is administered or delivered by the retailer.”</p> <p>The intent of this indicator is, however, the same and it could be expected that retailers are effectively capturing the same data.</p>	
Initial recommendation	
<p>Change our indicator to align with the AER:</p> <p>‘Hardship program participants receiving energy concessions’ defined as:</p> <p><i>The number of current participants in a retailer’s hardship program as at the last day of each month within the reporting period who are also energy concession customers. An energy concession customer is a residential customer that is recorded by the retailer as being entitled to receive an energy concession, where the concession is administered by the retailer.</i></p> <p><i>Note: By default, this will also enable the Commission to calculate the remaining participants in a hardship program who are not in receipt of energy concessions.</i></p>	
Issues arising	
<p>Submissions supported this recommendation. We will only need to consider any amendments based on the earlier discussion of what constitutes an ‘energy concession customer’.</p>	
Initial recommendation	
<p>We believe this is only a minor definitional change which can take effect for the full 2012-13 reporting period.</p>	
Final decision	
<p>To proceed with aligning with the AER indicator from 2012-13.</p>	



ESC Indicator	AER Reference
Customers denied access to a retailer's hardship program during the period	S4.3
Current definition	
The number of customers denied access to a retailer's hardship program during the reporting period (report monthly numbers).	
Initial discussion	
The AER provides the same definition but also defines "denied access". We can see how this would further clarify what is to be included for this indicator.	
Initial recommendation	
Align our indicator with the AER: 'Customers denied access to a retailer's hardship program' defined as: <i>The number of customers denied access to a retailer's hardship program during each month within the reporting period. This includes those customers referred to the hardship program by any means but who are not accepted into the program. It does not include customers who decline to participate in the program.</i>	
Issues arising	
Submissions supported this recommendation.	
Revised recommendation	
As this is not a material change, it will be effective for the full 2012-13 reporting period.	
Final decision	
To proceed with the initial recommendation from 2012-13.	



ESC Indicator	AER Reference
Average debt of new entrants into a hardship program	S4.4
Current definition	
Average dollar amount outstanding for over ninety days for customers entering a retailer's hardship program during the reporting period (report monthly amount).	
Initial discussion	
<p>The AER collects average debt data for each quarter while we collect data for each month. We can see no benefit in changing our reporting period and will continue to collect monthly data.</p> <p>The AER also reports on a separate indicator (S4.5), with retailers required to report the entry debt levels according to ranges (i.e. between \$0 and \$500; over \$500 but less than \$1,500; over \$1,500 but less than \$2,500; and \$2,500 or more). We would be interested in obtaining this extra detail to provide a more complete picture of hardship program customer circumstances since averages are greatly affected by extreme outliers.</p>	
Initial recommendation	
<p>Align our indicator with AER reporting requirements:</p> <p style="padding-left: 40px;"><i>The average debt (amount outstanding for over ninety days) of those customers entering a retailer's hardship program during each month within the reporting period.</i></p> <p>Introduce debt categories in line with AER reporting requirements as follows:</p> <p style="padding-left: 40px;"><i>The number of customers entering a retailer's hardship program during each month within the reporting period with a debt that was:</i></p> <ul style="list-style-type: none"> (a) <i>Between \$0 and \$500</i> (b) <i>Over \$500 but less than \$1,500</i> (c) <i>Over \$1,500 but less than \$2,500</i> (d) <i>\$2,500 or more</i> 	
Issues arising	
Submissions do not support <i>monthly</i> data for this indicator, particularly the debt bands which would be a new indicator. We understand this is a new indicator and that there is no historical data with which to compare, however we question the value of including one quarterly data set amongst the monthly data.	
Revised recommendation	
We will retain the minor wording changes proposed for <i>Average debt</i> (existing indicator) effective for the 2012-13 reporting period as these are not material in nature. For the debt consumption bands (new indicator), we will collect data as proposed commencing the 2013-14 reporting year with the final decision on the collection cycle to be made following the workshop.	
Workshop discussion	
Based on workshop discussions and feedback provided by retailers, we have opted to collect quarterly data for the new bands/thresholds of debt on entry into hardship programs.	
Final decision	
<p>To proceed with aligning with the AER indicator from 2012-13.</p> <p>To proceed with the initial recommendation and introduce a new indicator 'debt categories' of new entrants into a hardship program from 2013-14.</p>	



ESC Indicator	AER Reference
Average debt upon exit from a hardship program	–
Current definition	
Average dollar amount outstanding for over ninety days for customers exiting a retailer's hardship program during the reporting period (report monthly amount). Note: The debts of all customers exiting a program are to be included, including those customers considered to have successfully completed a hardship program, those customers who may have opted out prematurely and others deemed by the retailer to no longer be eligible to continue, having failed to meet program requirements.	
Initial discussion	
<p>There is no equivalent AER indicator.</p> <p>We introduced this indicator with the aim of evaluating the effectiveness of participation in retailers' hardship programs. However, in our Final Decision: Energy Financial Hardship Policy Performance Indicators (September 2007) we said:</p> <p><i>The Commission has reviewed how it will interpret the information that will be provided by this indicator and does not intend to compare debts levels on entry to those on exit. Given that the Commission is expecting average debt on entry to reduce over time, it would be inaccurate to compare these indicators in future reporting periods as it is unlikely a participant will enter and subsequently exit the hardship program within the one reporting period.</i></p> <p>We have found this indicator too open to misinterpretation, particularly in light of our expectations and may not be the best measure of effective participation in a hardship program.</p> <p>The AER collects 'Average debt of hardship program customers' (S4.7) which examines the debt levels of current program participants. If those customers who fail to meet program requirements usually exit the program prematurely (either of their own or the retailer's choosing), this leaves only those customers who actively participate in the program (that is, those who have a willingness to pay).</p> <p>We consider the AER's indicator is more accurate for the intended purpose. Although amounting to a material change in the way retailers capture the data, we will align with AER reporting requirements.</p>	
Initial recommendation	
<p>We propose a material change to this indicator to align with AER reporting requirements:</p> <p>'Average debt of hardship program customers' defined as:</p> <p><i>The average debt (amount outstanding for over ninety days) of all current hardship program customers as at the last day of each month within the reporting period.</i></p>	
Issues arising	
Submissions supported the proposed change.	
Workshop discussion	
Retailers noted that increasing energy costs are flowing through to higher electricity and gas bills, and ultimately, larger debts outstanding for customers struggling to pay. Our expectation that debt levels would reduce over time is perhaps no longer relevant. Future reports will acknowledge this.	
Final decision	
To proceed with the initial recommendation from 2013-14.	



ESC Indicator	AER Reference
Average length of participation for customers in a hardship program at the end of period	–
Current definition	
Average number of days since current participants entered a retailer's hardship program (calculated as at the end of each month in the reporting period).	
Initial discussion	
<p>There is no equivalent AER indicator.</p> <p>This indicator was intended to be another measure of the effectiveness of participation in a retailer's hardship program. We consider it may indicate the willingness of retailers to support customers in financial hardship over a period long enough to establish a pattern of regular and sustainable payments.</p> <p>We have found that, on average, customers are participating in hardship programs for an increasing period of time (now averaging over 500 days) since we first collected this data.</p> <p>This indicator is considered useful, particularly when analysed in conjunction with other indicators.</p>	
Initial recommendation	
<p>We propose to retain this indicator but simplify title to:</p> <p><i>'Average length of participation for customers in a hardship program'</i></p>	
Issues arising	
Submissions indicated both support for retaining this indicator as proposed and for removing it altogether.	
Revised recommendation	
We maintain that this indicator provides useful data. We will proceed with minor change to title, effective immediately.	
Final decision	
To implement the initial recommendation from 2012-13.	



ESC Indicator	AER Reference
Participants exiting a hardship program by agreement with the retailer	S4.9.a
Current definition	
The number of participants exiting a hardship program by agreement with the retailer during each month within the reporting period. Note: The exit need not follow 'successful completion' and includes all exits other than those participants excluded for not complying with program requirements (reported at next indicator below).	
Initial discussion	
<p>The AER's definition is "successfully completed the hardship program or exited with the agreement of the retailer". Our definition lacks clarity and may capture numbers of customers who really ought to be included at the following indicator.</p> <p>The AER has a third indicator (S4.9.c) capturing the number of customers exiting a hardship program due to switching, transferring or leaving the retailer. We do not currently collect this data separately so these numbers would presumably be counted as an exit "by agreement". We propose to align with the AER by splitting exits across three categories/indicators.</p>	
Initial recommendation	
<p>Amend definition to align with AER on all indicators relating to hardship program exit numbers:</p> <p style="padding-left: 40px;"><i>For each month within the reporting period, the number of customers exiting a hardship program following successful completion of the program or by agreement with the retailer.</i></p> <p>Also, introduce the following indicator to align with AER reporting requirements:</p> <p>'Hardship program exits due to switching, transferring or leaving the retailer' defined as:</p> <p style="padding-left: 40px;"><i>For each month within the reporting period, the number of customers exiting a retailer's hardship program because they switched / transferred to another retailer or otherwise left the retailer.</i></p>	
Issues arising	
Submissions all supported the proposed adoption of three AER exit indicators. We will seek to confirm at the workshop whether our existing two indicators currently capture all exits or if there are some not being counted.	
Workshop discussion	
Retailers confirmed they currently report all program exits to us under our existing two exit categories; participants who switch, transfer or leave the retailer are captured under this indicator 'leaving by agreement with the retailer'. As such, we can introduce the third exit category 'Hardship program exits due to switching, transferring or leaving the retailer' to align to the AER and maintain our ability to compare historical exit data by adding it to <i>'Hardship program exits with agreement from the retailer'</i> .	
Final decision	
To implement the AER's exit definitions as per the initial recommendation from 2013-14.	



ESC Indicator	AER Reference
Hardship program participants excluded for not complying with requirements	S4.9.b
Current definition	
The number of participants exiting a retailer's hardship program during each month within the reporting period due to the retailer excluded them following the customer's failure to meet program requirements.	
Initial discussion	
<p>The AER's definition:</p> <p><i>Were excluded or removed from the program for non-compliance (for example, where the customer did not make the required payments, or where they failed to contact the retailer. This should also include those hardship program customers who leave the program because they feel they are not able to meet the program requirements or payments requested by the retailer).</i></p> <p>Some of those customers specifically included by the AER are likely to be reported under the Commission's previous indicator owing to our wording "includes all exits other than those participants excluded for not complying..."</p>	
Initial recommendation	
<p>Amend definition to align with AER for all indicators relating to hardship program exit numbers:</p> <p><i>For each month within the reporting period, the number of customers excluded or removed from a retailer's hardship program for non-compliance with program requirements (for example, customer did not make the required payments or failed to maintain contact the retailer). Note: This should also include those participants who leave the program because they feel they are unable to meet program requirements or make the payments required by the retailer.</i></p>	
Issues arising	
We will seek to confirm that issues arising from a three-way disaggregated exit indicators are considered before accepting this alignment and historical data will be retained.	
Workshop discussion	
We will implement the three-way disaggregated exit indicators from the 2013-14 reporting year (see previous indicator).	
Outcome of workshop – Final decision	
To proceed with the initial recommendation, effective from 2013-14.	



ESC Indicator	AER Reference
Disconnections of previous hardship program participants within 12 months	S4.10
Current definition	
The number of customers whose supply was disconnected for non-payment during each month within the reporting period who had, within the previous 12 months, participated in the retailer's hardship program.	
Initial discussion	
<p>The AER's definition is restricted to disconnections of customers who had successfully completed a hardship program or exited by agreement with their retailer, while we include disconnections of all customers previously participating in a hardship program.</p> <p>We can see the value in collecting disaggregated disconnections data but note that the ability to compare with past data collected would be lost. Disconnections data cross-referenced with different categories of past hardship program participants is also onerous for retailers to capture. We will continue to monitor this indicator in its existing form.</p>	
Initial recommendation	
<p>Amend the title of our indicator and the definition, without changing the intent, to highlight its difference from the similar AER indicator:</p> <p>'Disconnections of all previous hardship program customers within 12 months' defined as:</p> <p><i>The number of customers whose supply was disconnected for non-payment during each month within the reporting period who had, within the previous 12 months, been on the retailer's hardship program.</i></p>	
Issues arising	
Submissions supported changing this indicator to the AER definition; we will discuss in the workshop why the AER record successful completed customers only for this indicator. Historical comparisons would be lost if we changed this indicator.	
Revised recommendation	
Based on the outcome of the workshop we will determine whether to retain the previous recommendation or not.	
Workshop discussion	
<p>There was much discussion at the workshop around the motivation behind collecting only disconnections of 'successful exits' from hardship programs. Yet, we maintain our belief that 'successful exit' may be overly prescriptive and subjective and we see value in obtaining disconnections data for all ex-hardship program participants, regardless of how successful the program was for them.</p> <p>The Commission's view is that at this time, a change simply to align to the AER indicator is not justified.</p>	
Final decision	
To proceed with the initial recommendation, effective from 2012-13.	



ESC Indicator	AER Reference
Reconnections of previous hardship program participants within 12 months	S4.11
Current definition	
The number of customers whose supply was reconnected in the same name and at the same address within 7 days following disconnection for non-payment during each month within the reporting period who had, within the previous 12 months, participated in the retailer's hardship program.	
Initial discussion	
As per 'disconnections' above.	
Initial recommendation	
Amend the title of our indicator and the definition, without changing the intent, to highlight its difference from the similar AER indicator: 'Reconnections of all previous hardship program customers within 12 months' defined as: <i>The number of customers whose supply was reconnected in the same name and at the same address within 7 days following disconnection for non-payment during each month within the reporting period who had, within the previous 12 months, been on the retailer's hardship program.</i>	
Issues arising	
As per the previous indicator.	
Revised recommendation	
Based on the outcome of the workshop we will determine whether to retain the previous recommendation or not.	
Workshop discussion	
As per the previous indicator.	
Final decision	
To proceed with the initial recommendation, effective from 2012-13.	



ESC Indicator	AER Reference
Energy field audits provided at no cost to customer	–
Current definition	
The number of energy field audits provided at no cost to customers during each month within the reporting period. By definition, this excludes energy audits conducted by telephone.	
Initial discussion	
<p>The legislation requires that retailers provide audits of a domestic customer's energy usage either wholly or partly at the retailers' expense.</p> <p>This indicator is quantified in the Commission's annual Performance Report for the purpose of meeting the Victorian Government's information requirements.</p> <p>There is no equivalent AER indicator.</p>	
Initial recommendation	
<p>Simplify title of indicator only:</p> <p>'Energy field audits provided at no cost'</p>	
Issues arising	
Submissions varied in their support for retaining this indicator, with retailers questioning retaining Victorian-specific indicators in our ongoing performance monitoring and reporting. As originally discussed (refer 4.1 Introduction), this indicator meets the information needs of the Victorian Government under the <i>Energy Legislation (Hardship, Metering and Other Matters) Act 2006</i> .	
Workshop discussion	
<p>Retailers commented on the increasing effectiveness of energy audits conducted over the telephone using information supplied by smart meter technology. They stressed their ability to assist customers identify areas for improving their energy usage in this way, no longer necessitating a costly field visit.</p> <p>Retailers also noted that many hardship customers are already eligible for field audits conducted through the Federal Government's Home Energy Saver Scheme (HESS). Customers often advise their retailer but retailers are unable to count these in their field audit numbers for our purposes because they are not privy to the outcome of HESS audits. Retailers would not duplicate the work by conducting their own audit. This does and will continue to affect numbers reported.</p> <p>We acknowledge the issues raised during the workshop discussion and consider this a topic which may be identified for further review in consultation with Victorian Government. We wish to clarify that retailers must not count energy audits conducted by telephone, regardless of how effective, as this is not the intention of the hardship legislation. Nor may a retailer count field audits conducted through HESS as these are outside the retailer's own hardship program.</p>	
Final decision	
To proceed with the initial recommendation, effective from 2012-13.	



ESC Indicator	AER Reference
Energy field audits provided at partial cost to customer	–
Current definition	
The number of energy field audits provided at partial cost to customers during each month within the reporting period. By definition, this excludes energy audits conducted by telephone.	
Initial discussion	
As per 'Energy field audits provided at no cost to customer'.	
Initial recommendation	
Simplify title of indicator only: <i>'Energy field audits provided at partial cost'</i>	
Issues arising	
As for previous indicator.	
Workshop discussion	
As for previous indicator.	
Final decision	
To proceed with the initial recommendation, effective from 2012-13.	



ESC Indicator	AER Reference
Average cost contributed by customers where a partial contribution was required	–
Current definition	
Average dollar amount contributed by customers to cover the cost of an energy field audit during each month within the reporting period. Note: The average is based only on customers from whom a partial contribution was required, thereby excluding those audits provided at no cost to the customer.	
Initial discussion	
This indicator is an extension of the previous two indicators.	
Initial recommendation	
Amend title of indicator only for clarification: 'Average cost contributed to an energy field audit where a customer contribution was required'	
Issues arising	
As for previous indicator.	
Workshop discussion	
As for previous indicator.	
Final decision	
To proceed with the initial recommendation, effective from 2012-13.	



ESC Indicator	AER Reference
Appliances provided under a hardship program	S4.12
Current definition	
<p>The number of appliances provided to participants of a retailer’s hardship program, either by the retailer or by a third party nominated by the retailer, during each month within the reporting period. Note: This indicator is intended to reflect the Energy Legislation (Hardship, Metering and Other Matters) Act 2006 (page 4) which refers to “flexible options for the purchase or supply of replacement electrical equipment designed for domestic use”.</p>	
Initial discussion	
<p>There is no equivalent <i>quantitative</i> AER indicator.</p> <p>The Act referred to in our definition also requires retailers’ financial hardship policies to include flexible options for the purchase or supply of replacement electrical equipment designed for domestic use, from the retailer or a third party nominated by the retailer.</p> <p>Reporting of this information therefore meets the Victorian Government’s information requirements.</p> <p>We need to provide guidance about what is counted as an ‘appliance’ because some retailers count the number of light globes provided to customers. Perhaps this indicator could be expanded to include some qualitative data from retailers to highlight the number and types of appliances being provided at no cost to the customer as well as the number of larger appliances with associated commentary about how these are being supplied. (This qualitative data would align with the AER’s indicators at S4.12 and S4.13).</p>	
Initial recommendation	
<p>Tighten the definition to exclude light globes as an ‘appliance’ to ensure consistent reporting by retailers and consider requesting retailers to provide commentary alongside their data.</p> <p><i>The number of appliances provided to participants of a retailer’s hardship program, either by the retailer or by a third party nominated by the retailer, during each month within the reporting period. This indicator is intended to reflect the Energy Legislation (Hardship, Metering and Other Matters) Act 2006 (page 4) which refers to “flexible options for the purchase or supply of replacement electrical equipment designed for domestic use”. For the purposes of this indicator, light globes and power boards are not to be counted.</i></p>	
Issues arising	
<p>Submissions varied in their support or otherwise for the changes to this indicator. Some retailers believe the AER indicators (4.12 and 4.13) may be better placed to provide meaningful data to analyse. We will discuss the introduction of a qualitative summary at the workshop.</p>	
Workshop discussion	
<p>There was much discussion about the merits or otherwise of reporting against this indicator. However, as it serves a similar purpose to the previous indicators concerning energy field audit (providing information to Victorian Government about particular aspects of retailers’ hardship programs), it will remain part of our performance monitoring regime.</p> <p>Discussions highlighted mixed feeling among retailers regarding the way forward. On this we will introduce disaggregation which will capture the provision of minor electrical equipment (eg. light globes, power boards) and major electrical appliances (eg. fridges, freezers).</p>	



Final decision
<p>To amend the recommendation, and implement the following indicator to capture the provision of both major and minor electrical equipment:</p> <p style="padding-left: 40px;"><i>The number of appliances provided to participants of a retailer's hardship program, either by the retailer or by a third party nominated by the retailer, during each month within the reporting period. This indicator is intended to reflect the Energy Legislation (Hardship, Metering and Other Matters) Act 2006 (page 4) which refers to "flexible options for the purchase or supply of replacement electrical equipment designed for domestic use".</i></p> <p style="padding-left: 40px;">a. Small electrical equipment (eg. light globes, powerboards)</p> <p style="padding-left: 40px;">b. Large electrical appliances (eg. fridges, freezers)</p> <p>Effective from 2012-13 reporting year</p>

ESC Indicator	AER Reference
Customers referred to Home Wise / Capital Grants program for appliance replacement	–
Current definition	
The number of Homewise / Capital Grants applications initiated by the retailer for appliance replacement assistance for the reporting period.	
Initial discussion	
<p>There is no equivalent AER indicator.</p> <p>The Victorian Government's Home Wise program was discontinued on 3 May 2011 so this indicator is no longer relevant.</p>	
Initial recommendation	
We propose to remove this indicator.	
Issues arising	
There were no objections raised in submissions.	
Final decision	
To proceed with the initial recommendation and remove this indicator from 2012-13.	



ESC Indicator	AER Reference
Customers referred to Home Wise / Capital Grants program resulting in an appliance being replaced	–
Current definition	
The number of Homewise / Capital Grants applications initiated by the retailer which resulted in an appliance being replaced.	
Initial discussion	
There is no equivalent AER indicator. The Victorian Government's Home Wise program was discontinued on 3 May 2011 so this indicator is no longer relevant.	
Initial recommendation	
We propose to remove this indicator.	
Issues arising	
There were no objections raised in submissions.	
Final decision	
To proceed with the initial recommendation and remove this indicator from 2012-13.	



6 CALL CENTRE AND COMPLAINTS INDICATORS

6.1 Introduction

The Commission monitors and reports on energy retailers' call centre performance and complaints to provide information about how the competitive market has impacted on business responsiveness, efficiency and service delivery trends. This information is of interest not only to the Commission but also the Victorian Government, industry, and consumers.

6.2 Harmonisation of indicators with the AER

The AER collects annual call centre data and quarterly complaints data, while the Commission has historically collected monthly data. The existing template and method of uploading retailer data is based on monthly data so we will not unnecessarily change our reporting frequency. Sum totals of calls and complaints (rather than averages) are usually presented in annual reports so our performance data will still be comparable with that of the AER.

6.3 Recommendations for each indicator

Call centre indicators

The Commission will adopt the AER's definition of an automated or Integrated Voice Response (IVR) telephone system in order to provide greater clarity to those seeking to understand and/or meet reporting requirements in relation to retailers' call centre performance:

Technology which allows customers to service their own enquiries by following the instructions and navigating menu choices via the telephone keypad or by speech recognition.

The guidelines will specify that call centre data is to be reported for Victorian customers only.



ESC Indicator	AER Reference
Calls to account line	–
Current definition	
Includes calls answered by an automated response service (IVR) that do not require operator assistance, as well as those forwarded to an operator. Note: Includes all general calls but excludes calls to sales, unless transferred after initial enquiry at the customer's request.	
Initial discussion	
The Utility Regulators Forum (URF) issued a Final Paper in May 2007 titled ' <i>National Energy Retail Performance Indicators</i> ' prepared by the Steering Committee on National Regulatory Reporting Requirements – Retail Working Group. It recommended changing the existing telephone responsiveness indicator to seek only <i>the total number of calls to an operator</i> , rather than the total number of calls received by an energy retailer's call centre. We currently monitor both indicators while the AER includes only 'Calls to an operator' in its performance reporting.	
Initial recommendation	
We proposed to remove this indicator to align with AER reporting requirements.	
Workshop discussion	
Discussions at the workshop raised an interesting point: If we remove this indicator, we will lose the ability to see how retailers' self-service options within their IVR systems may be improving the customer experience. Some retailers are investing heavily in their IVR (and online) technology to enable customers to manage various aspects of their energy account. It also puts into perspective the number of calls forwarded to an operator. That indicator will be a subset, providing useful data about calls handled by IVRs.	
We have therefore reconsidered our proposal to remove this indicator and will instead retain it, including our current reference to sales calls: " <i>excludes calls to sales, unless transferred after initial enquiry at the customer's request</i> ". The reason we will continue to exclude sales calls is that we maintain that the call centre statistics we are interested in capturing are those related to the customer's experience of after-sales service. Discussions at the workshop indicated many retailers agreed with this line of thinking. The definition will now only see minor changes to the wording and so will be effective immediately from the 2012-13 reporting year.	
Final decision	
<p>To introduce the following definition from 2012-13:</p> <p><i>The total number of calls to a retailer's account line received during each month within the reporting period, including calls answered by an automated response service or IVR*, reported under a single 'energy' category.</i></p> <p><i>Excludes calls to sales, unless transferred after initial enquiry at the customer's request.</i></p> <p><i>Only calls from Victorian retail customers (residential and business) should be reported.</i></p> <p><i>Retailers with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</i></p> <p><i>* Integrated Voice Response (IVR) ~ technology which allows customers to service their own enquiries by following the instructions and navigating menu choices via the telephone keypad or by speech recognition.</i></p>	



ESC Indicator	AER Reference
Calls to an operator	S3.1
Current definition	
<p>The total number of calls received by a retailer that were forwarded to an operator or Customer Service Officer. In the case of an IVR system, this includes only those calls where the customer has selected the relevant operator option (and thereby excludes all other calls not requiring operator attention; e.g. automated credit card payments). Note: Includes abandoned calls not answered within 30 seconds but excludes emergency services calls.</p>	
Initial discussion	
<p>The AER explicitly include sales calls in its definition. In the URF’s Final Paper issued in May 2007, referred to in the previous indicator above, it was considered appropriate that all calls to an operator be monitored, including sales.</p> <p>The AER includes “any abandoned calls to an operator” but “where retailers use an (IVR) telephone system, any calls abandoned before the customer opts to speak to an operator should be excluded”. We considered it is unclear from our definition whether to also include all abandoned calls or just those abandoned after the first 30 seconds.</p>	
Initial recommendation	
<p>Align to AER definition with regard to the inclusion of both sales calls and <i>all</i> abandoned calls to provide clarity to retailers around which calls to include in the data set.</p> <p><i>The total number of calls to an operator or customer service officer during each month within the reporting period, reported under a single ‘energy’ category, including sales calls and all abandoned calls to an operator. Where retailers use an automated or IVR telephone system, this includes those calls where the customer has selected the relevant operator option (that is, indicated they wish to be connected to an operator) and excludes all calls that do not require operator attention:</i></p> <ul style="list-style-type: none"> – <i>any calls abandoned before the customer opts to speak to an operator</i> – <i>IVR calls where the customer does not select an operator option</i> <p><i>Only calls from Victorian retail customers (residential and business) should be reported.</i></p> <p><i>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</i></p>	
Issues arising	
<p>Following discussions with the AER, a need for further consideration on the inclusion or otherwise of abandoned calls in all call centre performance indicators is being considered. This will be covered at the workshop.</p> <p>The inclusion of sales calls is expected to dramatically alter call statistics going forward. We will discuss if ‘sales calls transferred after initial inquiry’ (included in the definition of calls to account line) covers most sales calls received by retailers.</p>	



Workshop discussion

It seemed apparent from the workshop discussion that, although including sales calls may be a more straight-forward count of calls to an operator, it does not capture the customer service experience as intended. It will also impact upon our ability to compare to historical data. Retailers were more interested in data which highlighted their investment in IVR systems which enhanced the customer's call experience, enabling customers to self-serve their own enquiries if they choose. For this reason, we have retained 'Calls to account line' and, as we intend to treat this indicator 'Calls to an operator' as a subset, it is necessary that their definitions both reflect the exclusion of sales calls *unless transferred after initial enquiry at the customer's request*.

We will align to the AER wording effective in 2013-12, the changes are non-material and effective from 2012-13.

Final decision

To introduce the following definition from 2012-13:

The total number of calls to an operator or customer service officer during each month within the reporting period, reported under a single 'energy' category.

Where retailers use an automated or IVR telephone system, this includes those calls where the customer has selected the relevant operator option (that is, indicated they wish to be connected to an operator) and excludes all calls that do not require operator attention:

- any calls abandoned before the customer opts to speak to an operator*
- IVR calls where the customer does not select an operator option*

Excludes calls to sales, unless transferred after initial enquiry at the customer's request.

Only calls from Victorian retail customers (residential and business) should be reported.

Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.



ESC Indicator	AER Reference
Calls to an operator responded to within 30 seconds	S3.2
Current definition	
<p>The number of calls to an operator (of the total number of calls to an operator) that were answered within 30 seconds. (In the case of an IVR system, the recorded time should commence from when the caller selects the operator option and end when an operator picks up the call). Note: Includes calls abandoned within 30 seconds (on the basis that the caller has not allowed sufficient time for the retailer to meet its service standard).</p>	
Initial discussion	
<p>The AER definition does not specify the inclusion of calls abandoned within 30 seconds so it is unclear if the intention is the same. The AER definition also has the added complexity of reference to an IVR option to call the customer back (some customers may choose this rather than remaining in the queue). We will align to the AER to include these calls.</p> <p>We considered this indicator aims to capture calls <i>responded to</i> and is not reported accurately by counting abandoned calls. Only <i>answered</i> calls are relevant. We proposed to adopt much of the AER's definition to provide clarity and guidance to retailers but with the specific exclusion of all calls abandoned after the customer has selected the option to speak to an operator.</p>	
Initial recommendation	
<p>Align our definition with the AER, with the added reference to excluding all abandoned calls:</p> <p><i>The total number of calls to an operator during each month within the reporting period, reported under a single 'energy' category, that were responded to within 30 seconds.</i></p> <p><i>Excludes all calls abandoned after the customer has selected the operator option.</i></p> <p><i>Where retailers use an automated or IVR telephone system, the measurement period is calculated from the time that the customer selects an operator option (that is, if the caller's enquiry is answered by the IVR, meaning they don't need to speak to an operator, the call is not counted). For non-IVR telephone systems, the measurement period commences when the call is received by the switchboard.</i></p> <p><i>Where a retailer provides an option to call the customer back within a specified time period (rather than have the customer wait on hold until the next operator is available), the call will be considered to have been answered within 30 seconds providing the caller selected the option within 30 seconds and the telephone call was returned by the call centre within the specified time.</i></p> <p><i>Only calls from Victorian retail customers (residential and business) should be reported.</i></p> <p><i>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</i></p>	
Issues arising	
<p>Submissions supported the above recommendation.</p>	



Workshop discussion

None of the retailers in attendance have an IVR system which enables call-backs to customers. We will proceed with adopting this aspect of the AER definition, commencing from the 2013-14 reporting year, in case this changes and a retailer introduces this technology.

Following the workshop, Commission staff further considered how this indicator is calculated and analysed. If all abandoned calls are to be excluded because they were not answered by an operator, then those that were abandoned within the first 30 seconds should also be excluded from the denominator to calculate the percentage of calls answered within 30 seconds, on the grounds that the retailer did not have the opportunity to answer these calls in less than 30 seconds:

Calls to an operator responded to within 30 seconds
'Calls to an operator' minus Number of calls abandoned within 30 seconds

(This last number is not presently reported by retailers, although IVR systems should readily provide this detail.)

However, as this is quite a diversion from the recommendation discussed at the workshop, we have decided it cannot be introduced at this late stage of the review. It appears to be the most accurate interpretation and calculation of the indicator. It may be that the AER considers adopting this methodology if it reviews its performance indicator set at a future time.

For now we will retain our current definition which includes calls abandoned within 30 seconds on the basis that the caller has not allowed sufficient time for the retailer to meet its service standard, as we believe this is more accurate than the AER definition. We will align to the AER wording in line with previous indicators, the changes are non-material and effective from 2012-13.

Final decision

To introduce the following definition from 2012-13:

The total number of calls to an operator during each month within the reporting period, reported under a single 'energy' category, that were responded to within 30 seconds.

Includes calls abandoned within 30 seconds (on the basis that the caller has not allowed sufficient time for the retailer to meet its service standard).

Where retailers use an automated or IVR telephone system, the measurement period is calculated from the time that the customer selects an operator option (that is, if the caller's enquiry is answered by the IVR, meaning they don't need to speak to an operator, the call is not counted). For non-IVR telephone systems, the measurement period commences when the call is received by the switchboard.

Where a retailer provides an option to call the customer back within a specified time period (rather than have the customer wait on hold until the next operator is available), the call will be considered to have been answered within 30 seconds providing the caller selected the option within 30 seconds and the telephone call was returned by the call centre within the specified time.

Only calls from Victorian retail customers (residential and business) should be reported.

Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.



ESC Indicator	AER Reference
Average waiting time	S3.3
Current definition	
<p>The average time in seconds waited by callers before their telephone call was responded to by an operator; calculated by dividing the total time waited by callers 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. This indicator should not include 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 answered as soon as the IVR system accepts the call.</p>	
Initial discussion	
<p>The AER definition, again, does not refer to the inclusion or exclusion of calls abandoned. Our definition appears to conflict with the current definition of the preceding indicator 'Calls to an operator responded to within 30 seconds', which does not require the retailer to have actually responded (as it includes calls abandoned within 30 seconds). Here, <i>waiting time</i> does require the retailer to have responded to the call. This inconsistency will be corrected with the changes proposed for the preceding indicator.</p>	
Initial recommendation	
<p>Change our indicator as defined below to provide clarity:</p> <p><i>The average time in seconds waited by callers before an operator <u>answered</u> their call; reported under a single 'energy' category and calculated as follows:</i></p> <p><i><u>total time waited by all calls answered during the reporting period</u></i> <i>total number of calls answered by an operator during the reporting period</i></p> <p><i>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. This indicator should not include abandoned calls, nor include the average waiting time before a call is abandoned.</i></p> <p><i>Total number of calls answered by an operator is equal to the total number of calls to an operator minus Abandoned calls.</i></p> <p><i>Where an IVR system operates, it is not appropriate to regard the call as answered as soon as the IVR system accepts the call</i></p> <p><i>Only calls from Victorian retail customers (residential and business) should be counted.</i></p> <p><i>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</i></p>	
Issues arising	
<p>It needs to be absolutely clear that only calls actually answered by an operator are included in calculations. This includes how the indicator is calculated so any calls not answered (that is, those that were abandoned at any stage after the caller selected the IVR option to speak to an operator) must be deducted.</p> <p>The denominator in the calculation above is arrived at as follows:</p> <p><i>Calls to an operator <u>minus</u> Abandoned calls</i></p> <p>This calculation should be done by retailers as part of reporting this indicator so that they can verify the result.</p> <p>This clarification may result in a material change for retailers who did not minus abandoned calls from the calls to an operation before calculating the average wait time and will be effective from 2013-14.</p>	
Final decision	
<p>To implement the initial recommendation from 2013-14.</p>	



ESC Indicator	AER Reference
Abandoned calls	S3.4
Current definition	
The number of calls abandoned while still awaiting operator response after being forwarded to an operator.	
Initial recommendation	
Change our indicator as defined below to provide clarity: <i>The total number of calls abandoned during each month within the reporting period while awaiting operator response after being forwarded to an operator, reported under a single 'energy' category. For retailers with an IVR telephone system, only those calls where the customer had already selected the operator option before abandoning the call are counted.</i> <i>Only calls from Victorian retail customers (residential and business) should be reported.</i> <i>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</i>	
Issues arising	
No issues were raised in submissions.	
Final decision	
To implement the initial recommendation from 2012-13.	

Complaints indicators

The Commission currently requests complaints data for electricity and gas separately, also disaggregated for residential and non-residential. (In fact, reference should be made to 'small business' rather than 'non-residential'.) The AER collects complaints data under a single 'energy' category. If we align to the AER we will lose both the ability to monitor complaints by fuel type and our historical trends analysis.



Questions for retailer workshop

- Does the single 'energy' category reported to the AER equal the sum of electricity and gas data currently reported to the Commission?
 - A. Retailers confirmed that, if they were reporting a single 'energy' category, they would simply add the individual data currently reported for electricity and gas. They noted the subjective nature of recording complaints. Some retailers adhere closely to the definition, at times recording multiple complaints and/or under multiple fuel categories.
- For reporting purposes, how are any dual fuel customers counted for complaints data?
 - A. Given there are so few true 'dual fuel' customers, these complaints are treated no differently than any others.
- When reporting a complaint that is not defined as either an electricity or gas issue – where is it counted in the data set?
 - A. Workshop discussions revealed inconsistencies and variations in the way retailers record, count and report complaints. This would explain the wide variation in complaints performance between retailers.
- Is reporting of small business data restricted to customers consuming less than 40 MWh?
 - A. Yes.

The Commission considers that the lack of clarity in the complaints indicators is not due to the disaggregation by electricity and gas. Although the Commission has had some concerns that retailers may be unclear how to count and categorise those complaints that are not “black or white” – for example, a marketing complaint made by a person who was approached to sign up for both electricity and gas – retailers do not share our same level of concern. Retailers simply noted that the recording of complaints is subjective, relying on the correct assessment and categorisation by staff handling the contact.

The Commission initially proposed that retailers count any 'dual fuel' complaints (and complaints that are not specifically related to electricity or gas) under 'electricity'.

The Commission currently provide a general definition of a complaint, based on Australian Standards:

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

The AER provides the same definition but adds:

Complaints can be made in person, by telephone or in writing (for example, letter, email, facsimile). For the avoidance of doubt, complaints include the following type of contacts:

- *Where a customer expresses dissatisfaction and seeks a response or resolution regarding the conduct, action, proposed action, or failure to act by the retailer, its employees, agents, contractors or other representatives. This includes failure by the retailer to observe its published or agreed practices or procedures or in respect of a product or service offered or provided by the retailer or its representatives;*
- *Where a customer threatens to involve, or enquired about the possibility of involving, a third party, for example, the jurisdictional energy ombudsman or Member of Parliament.*
- *Where a complaint is directed to the retailer on behalf of the customer by an energy ombudsman scheme.*



The Commission considers that this further guidance provided by the AER clarifies the meaning of a complaint and will include it in the general definition of a complaint, with the addition of the following to enable retailers to accurately report complaint numbers:

- *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 recorded.*
- *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.*

ESC Indicator	AER Reference
Complaints – billing / credit	S3.5
Current definition	
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.	
Initial recommendation	
Change indicator to ' Complaints – billing ' defined as: <ul style="list-style-type: none"> <i>The number of complaints received each month during the reporting period, reported separately for electricity and gas*, including (but not limited to) those regarding:</i> <ul style="list-style-type: none"> - <i>prices</i> - <i>overcharging</i> - <i>high bills</i> - <i>billing errors</i> - <i>payment terms and methods</i> - <i>failure to receive government rebates</i> - <i>debt recovery practices</i> - <i>imminent and actual disconnection.</i> <p><i>* If a customer has both electricity and gas accounts with a retailer and makes a single billing complaint of a general nature (for example, relating to the retailer's debt recovery practices), this should be counted as an electricity complaint.</i></p>	
Revised recommendation	
This is not a material change to the indicator or definition. As such, the amendments will be implemented for the full 2012-13 reporting period.	
Final decision	
To implement the revised recommendation from 2012-13.	



ESC Indicator	AER Reference
Complaints – marketing	S3.6
Current definition	
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 these examples.	
Initial discussion	
* The AER goes one step further by adding “ <i>or its agents/representatives’ actions</i> ” in its definition to ensure outsourced sales and marketing is clearly included.	
Initial recommendation	
Change indicator to ‘ Complaints – marketing ’ defined as: <i>The number of complaints received each month during the reporting period, reported separately for electricity and gas*, including (but not limited to) complaints associated with a retailer’s or its agents/representatives’ actions in seeking to sign up a small customer for a contract for energy supply/service, and complaints regarding:</i> <ul style="list-style-type: none"> – sales approach or conduct – advertising campaigns – contract terms – sales techniques – misleading conduct. <i>* If a customer makes a single complaint regarding the marketing of both electricity and gas, this should be counted as an electricity complaint.</i>	
Revised recommendation	
This is not a material change to the indicator or definition. As such, the amendments will be implemented for the full 2012-13 reporting period.	
Final decision	
To implement the revised recommendation from 2012-13.	



ESC Indicator	AER Reference
Complaints – transfers	S3.7
Current definition	
A complaint associated with the financial responsibility for a customer's NMI or MIRN 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).	
Initial recommendation	
Change indicator to ' Complaints – customer transfers ' defined as: <i>The number of complaints received each month during the reporting period, reported separately for electricity and gas*, regarding the financial responsibility for a customer's electricity and/or gas account being transferred to either an existing or new retailer, and includes (but not limited to):</i> <ul style="list-style-type: none"> – failure to transfer within a certain time period – disruption of supply due to transfer – billing problems directly associated with transfer (for example, billing delays). <i>* If a customer makes a single complaint of a general nature regarding the transfer of both their electricity and gas accounts to a retailer (for example, failure to transfer within a certain time period), this should be counted as an electricity complaint.</i>	
Revised recommendation	
This is not a material change to the indicator or definition. As such, the amendments will be implemented for the full 2012-13 reporting period.	
Final decision	
To implement the revised recommendation from 2012-13.	



ESC Indicator	AER Reference
Complaints – other	S3.8
Current definition	
Any complaint 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.	
Initial discussion	
The AER definition does not include examples which we consider are helpful to include.	
Initial recommendation	
<p>Simplify the definition to improve clarity:</p> <p><i>The number of complaints received each month during the reporting period, reported separately for electricity and gas*, that do not classify as a billing, marketing or customer transfer complaint. Examples include (but are not limited to):</i></p> <ul style="list-style-type: none"> – <i>poor customer service</i> – <i>privacy issues</i> – <i>failure to respond to complaints</i> – <i>health and safety concerns.</i> <p><i>* If a customer makes a single complaint of a general nature not specific to either electricity or gas (for example, a privacy concern), this should be counted as an electricity complaint.</i></p>	
Revised recommendation	
This is not a material change to the indicator or definition. As such, the amendments will be implemented for the full 2012-13 reporting period.	
Final decision	
To implement the revised recommendation from 2012-13.	



7 WRONGFUL DISCONNECTION INDICATORS

7.1 Introduction

The Wrongful Disconnection Payment (WDP) scheme in Victoria is a statutory obligation not replicated in the NECF. It requires an energy retailer who wrongfully disconnects one of its residential customers to pay that customer \$250 for each day their electricity or gas supply remains disconnected.

A case of wrongful disconnection can be identified by the retailer itself, by the customer or, quite often, by being brought to the attention of the Energy and Water Ombudsman (Victoria) (EWOV). Some EWOV cases are referred to the Commission for consideration and determination.

7.2 Existing performance monitoring and reporting

We monitor enquiries and complaints made to retailers regarding wrongful disconnection (not including those cases that require determination by the Commission). Retailers report the following:

- (a) Incidents detected by retailer (self-identified cases)
- (b) Incidents identified by customer raised directly with retailer
- (c) Enquiries referred by the EWOV
- (d) Complaints referred by EWOV

7.3 Initial discussion

We consider there may be duplication in the collection and reporting of these indicators by retailers.

As required by the Commission's Retail Compliance Reporting Manual (the Manual – updated September 2012), licensed retailers must report breaches of their regulatory obligations. The Manual classifies each obligation as Type 1, 2 or 3 with a WDP generally involving a breach of a Type 1 obligation.

Our compliance reporting requirements for a breach of obligations is:

- Type 1 – immediately (initially by phone or email)
- Type 2 – six monthly
- Type 3 – annually

A pro forma for reporting breaches is included in the Manual. Using this pro forma, retailers submit the same, if not greater, level of detail of their breaches as that which is collected as part of the Commission's performance monitoring (template).

Since all breaches of compliance must also be reported annually, regardless of whether the breach has already been reported during the year, this places an unnecessary regulatory burden on retailers to meet their reporting requirements. Further, the Commission has identified that the WDP data collected via the Performance Indicator Framework is not utilised fully or reported on in the Customer Service Report.



We consider there may be value in seeking additional data from EWOV regarding WDP complaints to supplement the information already reported to the Commission via the compliance reporting framework.

7.4 Initial recommendation

We propose to remove the wrongful disconnection complaint indicators from the performance monitoring framework to ease the regulatory burden on retailers of reporting WDP and associated complaints.

Compliance reporting, along with the Annual Compliance Report will continue to provide the necessary information to enable monitoring and reporting of wrongful disconnections.

We will consult with EWOV regarding the possibility of including supplementary wrongful disconnection complaints data in their report to the Commission.

7.5 Issues arising

A submission from EWOV noted that it is prudent to ensure that the Commission collects the appropriate WDP data via other mechanisms.

Following this, the Commission has reviewed the format for retailers to submit monthly reports of WDPs to ensure that the appropriate level of data is captured. The Commission has developed a revised and enhanced reporting template for retailers to use in submitting monthly WDP reports, which will simplify the reporting process for retailers while allowing for better analysis of the data by the Commission.

7.6 Revised recommendation

Remove the wrongful disconnection complaint indicators from the performance monitoring framework to ease the regulatory burden on retailers of reporting WDP and associated complaints. Retailers will report WDPs to the Commission in the new template from July 2013.



APPENDIX A - ENERGY RETAIL PERFORMANCE INDICATORS 2012-13

1 INTRODUCTION

1.1 Purpose

This Guideline details the performance indicator data to be reported by Victorian energy retailers to the Essential Services Commission (the Commission) and replaces the Information Specification (Service Performance) for Victorian Energy Retailers, December 2008.

Under Condition 18 of the Electricity Retail Licence and Condition 19 of the Gas Retail Licence the Commission can request such information from the retailers as it may from time to time require. This revised Guideline, applicable to both electricity and gas retailers, aims to achieve greater consistency with the national energy retail performance indicators, as determined by the Australian Energy Regulator (AER)¹.

The Commission has also reviewed the definitions of all performance indicators to improve clarity and avoid differences of interpretation.

1.2 Background

In regulating retail gas and electricity, the Commission must comply with its objective contained in the *Essential Services Commission Act 2001*, as well as objectives which are contained in *the Electricity Industry Act 2000* and the *Gas Industry Act 2001*.

The Commission's objective contained in Section 8(1) of the *Essential Services Commission Act 2001* is:

- In performing its functions and exercising its powers, the objective of the Commission is to promote the long term interests of Victorian Consumers and have regard to the price, quality and reliability of essential services.

Matters which the Commission must have regard to and which are relevant to the Guideline include:

- Efficiency in the industry, incentives for long term investment, financial viability of the industry and scope for competition within the industry
- To ensure that users and consumers (including low-income and vulnerable customers) benefit from the gains from competition and efficiency.
- To promote consistency in regulation between States and on a national basis.

¹ AER (Retail Law) Performance Reporting Procedures and Guidelines June 2012



Section 10 of the *Electricity Industry Act 2000* and section 18 of the *Gas Industry Act 2001* provide the further objectives:

- to the extent that it is efficient and practicable to do so, to promote a consistent regulatory approach between the gas industry and electricity industry; and
- to promote the development of full retail competition.

To assist in fulfilling its objectives, the Commission requires information from Victorian energy retailers which enables it to:

- monitor and enforce each retailer's compliance with service standards specified in its retail licence and the industry codes, and
- publish comparisons of the retailers' performance to inform customers about the service they receive and provide incentives for the retailers to improve their performance relative to one another.

1.3 Information Categories

The performance data required by this Guideline falls into the following categories:

- *Background indicators* – customer classifications and numbers which assist the Commission to interpret and normalise other performance data.
- *Disconnection and reconnection indicators* – billing methods and issues, as well as disconnections and reconnections data which measure trends in customers' capacity to pay for their energy supply.
- *Financial Hardship Program indicators* – which enable the Commission to measure and evaluate the performance of retailers' financial hardship programs.
- *Call Centre and Complaints indicators* – which monitor retailer responsiveness and trends in the number and type of complaints.

1.4 Reporting Requirements

We require retailers to use templates supplied by the Commission (also available on our website) to submit their performance data.

Reporting templates will cover a six month reporting period and are required to be submitted within 20 business days from 31 December (with monthly data for the July to December period immediately preceding) and within 20 business days from the 30 June (with monthly data for January to June). There are separate templates for electricity and gas performance data. Completed reports should be emailed to the corresponding electricity or gas mailbox:

- elecindicators@esc.vic.gov.au
- gasindicators@esc.vic.gov.au



Where an adverse performance result is reported, an explanation should be provided with the report detailing the cause and any planned response.

This Guideline does not preclude the Commission seeking such other performance information as it may from time to time require in fulfilling its objectives.

This interim guideline is current for the period 1 July 2012 to 30 June 2013; data may be submitted for the full financial year by 31 June 2013.

1.5 Audits

The information reported under this Guideline may be subject to independent audit in accordance with the Commission's audit framework.



1.6 List of indicators: 2012-13

Background indicators
Retail Electricity Customers – Residential
Customers – Non-residential < 40 MWh p.a
Customers – Non-residential 40-160 MWh p.a
Customers – non-residential 160-750 MWh p.a
Customers – non-residential > 750 MWh p.a.
Retail Gas Customers – Residential
Retail Gas Customers – Business
Disconnection and reconnection indicators (Reported separately for residential and business customers)
Estimated accounts
Instalment payment plans
Refundable advances – number
Refundable advances – amount
Disconnections
Reconnections within 7 days
Disconnections previously on an instalment payment plan
Disconnections on more than one occasion
Disconnections of energy concession customers
Reconnections previously on an instalment payment plan
Reconnections on more than one occasion
Reconnections of energy concession customers



Hardship program indicators (Reported for residential customers only, under a single 'Energy' category)
Hardship program participants
Hardship program participants receiving energy concessions
Customers denied access to a retailer's hardship program
Average debt of new entrants into a hardship program
Average debt upon exit from a hardship program
Average length of participation for customers in a hardship program
Participants exiting a hardship program by agreement with the retailer
Hardship program participants excluded for not complying with requirements
Disconnections of all previous hardship program customers within 12 months
Reconnections of all previous hardship program customers within 12 months
Energy field audits provided at no cost
Energy field audits provided at partial cost
Average cost contributed to an energy field audit where a customer contribution was required
Appliances provided under a hardship program
Call centre indicators (Aggregated residential and business customers)
Calls to account line
Calls to an operator
Calls to an operator responded to within 30 seconds
Average waiting time
Abandoned calls
Complaints indicators (Reported separately for residential and business customers)
Complaints – billing
Complaints – marketing
Complaints – customer transfers
Complaints – other



2 PERFORMANCE INDICATOR SCHEDULE

2.1 Background indicators

Definitions

Energy retailer / Retail business:

The holder of a retail licence under the Act or in respect of those obligations under the Energy Retail Code.

Retail customers:

Equivalent to an account (NMI or MIRN*) for whom the retailer is the Financially Responsible Market Participant (FRMP). Where there are multiple accounts in one person's name, the number of accounts will be taken to be the number of customers.

- * NMI or National Metering Identifier is the account identifier for electricity meters
- * MIRN or Metering Installation Reference Number is the account identifier for gas meters

Note: For all customer categories, numbers are to be taken as at the last calendar day of each month within the reporting period (for example 31 May).

Indicators	Retailers are required to report the following data:	How the data will be interpreted
Retail Electricity Customers – Residential	A customer who purchases energy principally for personal, household or domestic use at the relevant supply address.	# Numbers
Customers – Non-residential < 40 MWh p.a	The number of non-residential retail electricity customers consuming less than 40 MWh of electricity per annum	# Numbers
Customers – Non-residential 40-160 MWh p.a	The number of non-residential retail electricity customers consuming between 40 and 160 MWh of electricity per annum.	# Numbers
Customers – non-residential 160-750 MWh p.a	The number of non-residential retail electricity customers consuming between 160 and 750 MWh of electricity per annum	# Numbers



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Customers – non-residential > 750 MWh p.a.	The number of non-residential retail electricity customers consuming more than 750 MWh of electricity per annum	# Numbers
Retail Gas Customers – Residential	The number of customers as at the last day of each calendar month during the reporting period who purchase gas principally for personal, household or domestic use at premises.	# Numbers
Retail Gas Customers – Business	The number of non-residential customers as at the last day of each calendar month during the reporting period, who purchase gas for business premises.	# Numbers



2.2 Disconnection and reconnection indicators

{ Reported separately for residential and business customers }

Indicators	Retailers are required to report the following data:	How the data will be interpreted
Estimated accounts	The number of estimated bills issued during the reporting period; for example, where a customer's meter was not accessible on the day of a scheduled meter read. If a retailer has obtained explicit and informed consent from a customer to use estimated accounts, for example, for the purpose of monthly billing (bill-smoothing), these bills are not counted.	Total bills % of Customers
Instalment payment plans	An arrangement between a retailer and a customer for the customer to pay arrears and continued usage charges 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. Instalment plans generally involve at least three (3) instalments, by arrears or advance, taking into account their capacity to pay and enable the customer to continue to receive supply and avoid disconnection.	Average number of customers on a plan % of Customers
Refundable advances – number	The number of customers who have paid a refundable advance (security deposit) to secure connection or reconnection to supply energy as at the last calendar day of each month within the reporting period.	% of Customers
Refundable advances – amount	The aggregate dollar value of all refundable advances (security deposits) held by the retailer as at the last calendar day of each month within the reporting period.	Average refundable advance



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Disconnections	<p>Reported separately for electricity and gas under each customer category below, the number of customers whose supply was disconnected for non-payment during each month in the reporting period. Note: If a customer was disconnected twice in the same month, this is counted as two disconnections.</p> <p>(a) Residential customers (b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.</p> <p>Note: Premises that are vacant at the time of disconnection should be excluded. Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.</p>	% of Total customers
Reconnections within 7 days	<p>Reported separately for electricity and gas under each customer category below, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for non-payment during each month in the reporting period. Note: If a customer was disconnected twice in the same month, this is counted as two disconnections.</p> <p>(a) Residential customers (b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.</p> <p>Note: Only completed reconnections should be recorded. That is, where a reconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. The 7 days are inclusive, with the day of disconnection being counted as the first day, and include weekends.</p>	% of Total Disconnections
Disconnections previously on an instalment payment plan	The number of residential customers whose supply was disconnected for non-payment and who were on an instalment payment plan in the previous 24 months.	% of Total Disconnections



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Disconnections on more than one occasion	The number of <u>residential</u> customers disconnected for non-payment during the reporting period who have been disconnected at least once before in the previous 24 months. Note: If a customer is disconnected twice in the same reporting period, this is counted as two disconnections.	% of Total Disconnections
Disconnections of energy concession customers	The number of energy concession customers disconnected for non-payment during the reporting period. Note: An energy concession customer is a <u>residential</u> customer that is recorded by the retailer as eligible for and is receiving an energy concession, where the concession is administered by the retailer.	% of Total Disconnections
Reconnections previously on an instalment payment plan	The number of residential customers whose supply was reconnected in the same name and at the same address within 7 days following disconnection for non-payment and who were on an instalment payment plan in the previous 24 months.	% of Total Reconnections
Reconnections on more than one occasion	The number of <u>residential</u> customers reconnected during the reporting period within 7 days of being disconnected for non-payment, who had been disconnected on at least one other occasion. Note: If a customer is reconnected twice in the same reporting period, this is counted as two reconnections.	% of Total Reconnections
Reconnections of energy concession customers	The number of energy concession customers reconnected in the same name and at the same address during the reporting period within 7 days of being disconnected for non-payment. Note: An energy concession customer is a <u>residential</u> customer that is recorded by the retailer as eligible for and receiving an energy concession, where the concession is administered by the retailer.	% of Total Reconnections



2.3 Financial Hardship Program indicators

{ Reported for residential customers only, under a single 'Energy' category }

Indicators	Retailers are required to report the following data:	How the data will be interpreted
Hardship program participants	The number of current participants in a retailer's hardship program as at the last day of each month within the reporting period (e.g. 31 March, 30 April, 31 May).	# Numbers
Hardship program participants receiving energy concessions	The number of current participants in a retailer's hardship program as at the last calendar day of each month within the reporting period who are also energy concession customers. An energy concession customer is a residential customer that is recorded by the retailer as eligible for and is receiving an energy concession, where the concession is administered by the retailer. Note: By default, this will also enable the Commission to calculate the remaining participants in a hardship program who are not in receipt of energy concessions.	% of Program participants
Customers denied access to a retailer's hardship program	The number of customers denied access to a retailer's hardship program during each month within the reporting period. This includes those customers referred to the hardship program by any means but who are not accepted into the program. It does not include customers who decline to participate in the program.	% of the SUM of Program participants + No. of customers denied access
Average debt of new entrants into a hardship program	The average debt (amount outstanding for over ninety days) of those customers entering a retailer's hardship program during each month within the reporting period.	\$



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Average debt upon exit from a hardship program	Average dollar amount outstanding for over ninety days for customers exiting a retailer's hardship program during the reporting period (report monthly amount). Note: The debts of all customers exiting a program are to be included, including those customers considered to have successfully completed a hardship program, those customers who may have opted out prematurely and others deemed by the retailer to no longer be eligible to continue, having failed to meet program requirements.	\$ Not compared to entry debt
Average length of participation for customers in a hardship program	Average number of days since current participants entered a retailer's hardship program (calculated as at the last calendar day of each month in the reporting period).	Days
Participants exiting a hardship program by agreement with the retailer	The number of participants exiting a hardship program by agreement with the retailer during each month within the reporting period. Note: The exit need not follow 'successful completion' and includes all exits other than those participants excluded for not complying with program requirements (reported at next indicator below).	% of Total domestic customers
Hardship program participants excluded for not complying with requirements	The number of participants exiting a retailer's hardship program during each month within the reporting period due to the retailer excluded them following the customer's failure to meet program requirements.	% of Total domestic customers
Disconnections of all previous hardship program customers within 12 months	The number of customers whose supply was disconnected for non-payment during each month within the reporting period who had, within the previous 12 months, been on the retailer's hardship program.	% of Program participants AND % of Total disconnections
Reconnections of all previous hardship program customers within 12 months	The number of customers whose supply was reconnected in the same name and at the same address within 7 days following disconnection for non-payment during each month within the reporting period who had, within the previous 12 months, been on the retailer's hardship program.	% of Program participants AND % of Total reconnections
Energy field audits provided at no cost	The number of energy field audits provided at no cost to customers during each month within the reporting period. By definition, this excludes energy audits conducted by telephone.	% of Program participants



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Energy field audits provided at partial cost	The number of energy field audits provided at partial cost to customers during each month within the reporting period. By definition, this excludes energy audits conducted by telephone.	% of Program participants
Average cost contributed to an energy field audit where a customer contribution was required	Average dollar amount contributed by customers to cover the cost of an energy field audit during each month within the reporting period. Note: The average is based only on customers from whom a partial contribution was required, thereby excluding those audits provided at no cost to the customer.	\$
Appliances provided under a hardship program	The number of appliances provided to participants of a retailer's hardship program, either by the retailer or by a third party nominated by the retailer, during each month within the reporting period. This indicator is intended to reflect the Energy Legislation (Hardship, Metering and Other Matters) Act 2006 (page 4) which refers to "flexible options for the purchase or supply of replacement electrical equipment designed for domestic use". a. Small electrical equipment (eg. light globes, powerboards) b. Large electrical appliances (eg. fridges, freezers)	% of Program participants



2.4 Call Centre indicators

{ Aggregated residential and business customers }

Definitions

Integrated Voice Response (IVR) or automated telephone system

Technology which allows customers to service their own enquiries by following the instructions and navigating menu choices via the telephone keypad or by speech recognition.

Indicators	Retailers are required to report the following data:	How the data will be interpreted
Calls to account line	<p>The total number of calls to a retailer's account line received during each month within the reporting period, including calls answered by an automated response service or IVR*, reported under a single 'energy' category.</p> <p>Excludes calls to sales, unless transferred after initial enquiry at the customer's request.</p> <p>Only calls from Victorian retail customers (residential and business) should be reported.</p> <p>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</p> <p>* Integrated Voice Response (IVR) ~ technology which allows customers to service their own enquiries by following the instructions and navigating menu choices via the telephone keypad or by speech recognition.</p>	# Number



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Calls to an operator	<p>The total number of calls to an operator or customer service officer during each month within the reporting period, reported under a single 'energy' category. Where retailers use an automated or IVR telephone system, this includes those calls where the customer has selected the relevant operator option (that is, indicated they wish to be connected to an operator) and excludes all calls that do not require operator attention:</p> <ul style="list-style-type: none">– any calls abandoned <i>before</i> the customer opts to speak to an operator– IVR calls where the customer does not select an operator option <p>Excludes calls to sales, unless transferred after initial enquiry at the customer's request.</p> <p>Only calls from Victorian retail customers (residential and business) should be reported.</p> <p>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</p>	<p>% of Calls to account line</p> <p>By default, this will also enable calculation of calls handled by an IVR</p>



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Calls to an operator responded to within 30 seconds	<p>The total number of calls to an operator during each month within the reporting period, reported under a single 'energy' category, that were responded to within 30 seconds.</p> <p>Includes calls abandoned within 30 seconds (on the basis that the caller has not allowed sufficient time for the retailer to meet its service standard).</p> <p>Where retailers use an automated or IVR telephone system, the measurement period is calculated from the time that the customer selects an operator option (that is, if the caller's enquiry is answered by the IVR, meaning they don't need to speak to an operator, the call is not counted). For non-IVR telephone systems, the measurement period commences when the call is received by the switchboard.</p> <p>Where a retailer provides an option to call the customer back within a specified time period (rather than have the customer wait on hold until the next operator is available), the call will be considered to have been answered within 30 seconds providing the caller selected the option within 30 seconds and the telephone call was returned by the call centre within the specified time.</p> <p>Only calls from Victorian retail customers (residential and business) should be reported.</p> <p>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</p>	% of Calls to an operator
Average waiting time	<p>The average time in seconds waited by callers before their telephone call was responded to by an operator; calculated by dividing the total time waited by callers 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. This indicator should not include 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 answered as soon as the IVR system accepts the call.</p>	Time-based (seconds)



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Abandoned calls	<p>The total number of calls abandoned during each month within the reporting period while awaiting operator response after being forwarded to an operator, reported under a single 'energy' category. For retailers with an IVR telephone system, only those calls where the customer had already selected the operator option before abandoning the call are counted.</p> <p>Only calls from Victorian retail customers (residential and business) should be reported.</p> <p>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</p>	% of Calls to an operator



2.5 Complaints indicators

{ Reported separately for residential and business customers }

Definitions

Complaint

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 implied. Complaints can be made in person, by telephone or in writing (for example, letter, email, facsimile). For the avoidance of doubt, complaints include the following type of contacts:

- Where a customer expresses dissatisfaction and seeks a response or resolution regarding the conduct, action, proposed action, or failure to act by the retailer, its employees, agents, contractors or other representatives. This includes failure by the retailer to observe its published or agreed practices or procedures or in respect of a product or service offered or provided by the retailer or its representatives;
- Where a customer threatens to involve, or enquired about the possibility of involving, a third party, for example, the jurisdictional energy ombudsman or Member of Parliament.
- Where a complaint is directed to the retailer on behalf of the customer by an energy ombudsman scheme.
- 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 recorded.
- 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.



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Complaints – billing	<p>The number of complaints received each month during the reporting period, reported separately for electricity and gas*, including (but not limited to) those regarding:</p> <ul style="list-style-type: none"> – prices – overcharging – high bills – billing errors – payment terms and methods – failure to receive government rebates – debt recovery practices – imminent and actual disconnection. <p>* If a customer has both electricity and gas accounts with a retailer and makes a single billing complaint of a general nature (for example, relating to the retailer's debt recovery practices), retailers will use discretion in categorising the complaint, including the possibility of recording two complaints.</p>	% of Total customers
Complaints – marketing	<p>The number of complaints received each month during the reporting period, reported separately for electricity and gas*, including (but not limited to) complaints associated with a retailer's or its agents/representatives' actions in seeking to sign up a small customer for a contract for energy supply/service, and complaints regarding:</p> <ul style="list-style-type: none"> – sales approach or conduct – advertising campaigns – contract terms – sales techniques – misleading conduct. <p>* If a customer makes a single complaint regarding the marketing of both electricity and gas, retailers will use discretion in categorising the complaint, including the possibility of recording two complaints.</p>	% of Total customers



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Complaints – customer transfers	<p>The number of complaints received each month during the reporting period, reported separately for electricity and gas*, regarding the financial responsibility for a customer’s electricity and/or gas account being transferred to either an existing or new retailer, and includes (but not limited to):</p> <ul style="list-style-type: none"> – failure to transfer within a certain time period – disruption of supply due to transfer – billing problems directly associated with transfer (for example, billing delays). <p>* If a customer makes a single complaint of a general nature regarding the transfer of both their electricity and gas accounts to a retailer (for example, failure to transfer within a certain time period), retailers will use discretion in categorising the complaint, including the possibility of recording two complaints.</p>	% of Total customers
Complaints – other	<p>The number of complaints received each month during the reporting period, reported separately for electricity and gas*, that do not classify as a billing, marketing or customer transfer complaint. Examples include (but are not limited to):</p> <ul style="list-style-type: none"> – poor customer service – privacy issues – failure to respond to complaints – health and safety concerns. <p>* If a customer makes a single complaint of a general nature not specific to either electricity or gas (for example, a privacy concern), retailers will use discretion in categorising the complaint, including the possibility of recording two complaints..</p>	% of Total customers



APPENDIX B - ENERGY RETAIL PERFORMANCE INDICATORS 2013-14

1 INTRODUCTION

1.1 Purpose

This Guideline details the performance indicator data to be reported by Victorian energy retailers to the Essential Services Commission (the Commission) and replaces the Information Specification (Service Performance) for Victorian Energy Retailers, December 2008.

Under Condition 18 of the Electricity Retail Licence and Condition 19 of the Gas Retail Licence the Commission can request such information from the retailers as it may from time to time require. This revised Guideline, applicable to both electricity and gas retailers, aims to achieve greater consistency with the national energy retail performance indicators, as determined by the Australian Energy Regulator (AER)².

The Commission has also reviewed the definitions of all performance indicators to improve clarity and avoid differences of interpretation.

1.2 Background

In regulating retail gas and electricity, the Commission must comply with its objective contained in the *Essential Services Commission Act 2001*, as well as objectives which are contained in *the Electricity Industry Act 2000* and the *Gas Industry Act 2001*.

The Commission's objective contained in Section 8(1) of the *Essential Services Commission Act 2001* is:

- In performing its functions and exercising its powers, the objective of the Commission is to promote the long term interests of Victorian Consumers and have regard to the price, quality and reliability of essential services.

Matters which the Commission must have regard to and which are relevant to the Guideline include:

- Efficiency in the industry, incentives for long term investment, financial viability of the industry and scope for competition within the industry
- To ensure that users and consumers (including low-income and vulnerable customers) benefit from the gains from competition and efficiency.
- To promote consistency in regulation between States and on a national basis.

² AER (Retail Law) Performance Reporting Procedures and Guidelines June 2012



Section 10 of the *Electricity Industry Act 2000* and section 18 of the *Gas Industry Act 2001* provide the further objectives:

- to the extent that it is efficient and practicable to do so, to promote a consistent regulatory approach between the gas industry and electricity industry; and
- to promote the development of full retail competition.

To assist in fulfilling its objectives, the Commission requires information from Victorian energy retailers which enables it to:

- monitor and enforce each retailer's compliance with service standards specified in its retail licence and the industry codes, and
- publish comparisons of the retailers' performance to inform customers about the service they receive and provide incentives for the retailers to improve their performance relative to one another.

1.3 Information Categories

The performance data required by this Guideline falls into the following categories:

- *Background indicators* – customer classifications and numbers which assist the Commission to interpret and normalise other performance data.
- *Disconnection and reconnection indicators* – billing methods and issues, as well as disconnections and reconnections data which measure trends in customers' capacity to pay for their energy supply.
- *Financial Hardship Program indicators* – which enable the Commission to measure and evaluate the performance of retailers' financial hardship programs.
- *Call Centre and Complaints indicators* – which monitor retailer responsiveness and trends in the number and type of complaints.

1.4 Reporting Requirements

We require retailers to use templates supplied by the Commission (also available on our website) to submit their performance data.

Reporting templates will cover a six month reporting period and are required to be submitted within 20 business days from 31 December (with monthly data for the July to December period immediately preceding) and within 20 business days from the 30 June (with monthly data for January to June). There are separate templates for electricity and gas performance data. Completed reports should be emailed to the corresponding electricity or gas mailbox:

- elecindicators@esc.vic.gov.au
- gasindicators@esc.vic.gov.au

Where an adverse performance result is reported, an explanation should be provided with the report detailing the cause and any planned response.



This Guideline does not preclude the Commission seeking such other performance information as it may from time to time require in fulfilling its objectives.

This final Guideline is effective from 1 July 2013.

1.5 Audits

The information reported under this Guideline may be subject to independent audit in accordance with the Commission's audit framework.



1.6 List of indicators

Background
Residential Electricity Customers on standard retail contracts
Residential Electricity Customers on market retail contracts
Small Business Electricity Customers on standard retail contracts
Small Business Electricity Customers on market retail contracts
Business Electricity Customers (40-100 MWh)
Business Electricity Customers (100-160 MWh)
Business Electricity Customers (> 160 MWh)
Residential Gas Customers on standard retail contracts
Residential Gas Customers on market retail contracts
Small Business Gas Customers on standard retail contracts
Small Business Gas Customers on market retail contracts
Large Retail Gas Customers
Disconnection and reconnection indicators (Reported separately for residential and business customers)
Estimated accounts
Instalment payment plans
Refundable advances – number
Refundable advances – amount
Disconnections
Reconnections within 7 days
All residential reconnections
Disconnections previously on an instalment payment plan
Disconnections on more than one occasion
Disconnections of energy concession customers
Reconnections previously on an instalment payment plan
Reconnections on more than one occasion
Reconnections of energy concession customers



Hardship program indicators (Reported for residential customers only, under a single 'Energy' category)
Hardship program participants
New entrants into a retailer's hardship program
Hardship program participants receiving energy concessions
Customers denied access to a retailer's hardship program
Average debt of new entrants into a hardship program
Debt classifications of new entrants into a hardship program
Average debt of hardship program customers
Average length of participation for customers in a hardship program
Hardship program exits with agreement from the retailer
Hardship program exits due to switching, transferring or leaving the retailer
Hardship program participants excluded for not complying with requirements
Disconnections of all previous hardship program customers within 12 months
Reconnections of all previous hardship program customers within 12 months
Energy field audits provided at no cost
Energy field audits provided at partial cost
Average cost contributed to an energy field audit where a customer contribution was required
Appliances provided under a hardship program
Call centre indicators (Aggregated residential and business customers)
Calls to account line
Calls to an operator
Calls to an operator responded to within 30 seconds
Average waiting time
Abandoned calls



Complaints indicators (Reported separately for residential and business customers)
Complaints – billing
Complaints – marketing
Complaints – customer transfers
Complaints – other



2 PERFORMANCE INDICATOR SCHEDULE

2.1 Background indicators

Definitions

Energy retailer / Retail business:

The holder of a retail licence under the Act or in respect of those obligations under the Energy Retail Code.

Retail customers:

Equivalent to an account (NMI or MIRN*) for whom the retailer is the Financially Responsible Market Participant (FRMP). Where there are multiple accounts in one person's name, the number of accounts will be taken to be the number of customers.

- * NMI or National Metering Identifier is the account identifier for electricity meters
- * MIRN or Metering Installation Reference Number is the account identifier for gas meters

Note: For all customer categories, numbers are to be taken as at the last calendar day of each month within the reporting period (for example 31 May).

Indicators	Retailers are required to report the following data:	How the data will be interpreted
Residential Electricity Customers on standard retail contracts	The number of customers as at the last calendar day of each month during the reporting period who purchase electricity under a standard retail contract, principally for personal, household or domestic use at premises.	% of Industry total
Residential Electricity Customers on market retail contracts	The number of customers as at the last calendar day of each month during the reporting period who purchase electricity under a market retail contract, principally for personal, household or domestic use at premises.	% of Industry total
Small Business Electricity Customers on standard retail contracts	The number of non-residential retail customers as at the last calendar day of each month during the reporting period, who purchase electricity for business premises under a standard retail contract and consume less than 40 MWh a year.	% of Industry total



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Small Business Electricity Customers on market retail contracts	The number of non-residential retail customers as at the last calendar day of each month during the reporting period, who purchase electricity for business premises under a market retail contract and consume less than 40 MWh a year.	% of Industry total
Business Electricity Customers	The number of business retail customers as at the last day of each calendar month during the reporting period, who purchase electricity for business premises on any contract type and consume between 40-100 MWh	# Numbers
Business Electricity Customers	The number of business retail customers as at the last day of each calendar month during the reporting period, who purchase electricity for business premises on any contract type and consume between 100-160 MWh	# Numbers
Business Electricity Customers	The number of business retail customers, as at the last calendar day of each month during the reporting period on any contract type, consuming more than 160 MWh a year	# Numbers
Residential Gas Customers on standard retail contracts	The number of customers as at the last day of each calendar month during the reporting period who purchase gas under a standard retail contract, principally for personal, household or domestic use at premises.	% of Industry total
Residential Gas Customers on market retail contracts	The number of customers as at the last day of each calendar month during the reporting period who purchase gas under a market retail contract, principally for personal, household or domestic use at premises.	% of Industry total
Small Business Gas Customers on standard retail contracts	The number of non-residential customers as at the last day of each calendar month during the reporting period, who purchase gas for business premises under a standard retail contract and consume less than 1000 GJ a year.	% of Industry total
Small Business Gas Customers on market retail contracts	The number of non-residential customers as at the last day of each calendar month during the reporting period, who purchase gas for business premises under a market retail contract and consume less than 1000 GJ a year.	% of Industry total
Large Retail Gas Customers	The number of retail customers, as at the last day of each calendar month during the reporting period, consuming more than 1000 GJ of gas a year.	# Numbers



2.2 Disconnection and reconnection indicators

{ Reported separately for residential and business customers }

Indicators	Retailers are required to report the following data:	How the data will be interpreted
Estimated accounts	The number of estimated bills issued during the reporting period; for example, where a customer's meter was not accessible on the day of a scheduled meter read. If a retailer has obtained explicit and informed consent from a customer to use estimated accounts, for example, for the purpose of monthly billing (bill-smoothing), these bills are not counted.	Total bills % of Customers
Instalment payment plans	<p>The number of customers (disaggregated according to whether in a retailer's hardship program or not) with an instalment payment plan in place on the last calendar day of each month within the reporting period.</p> <p>Further guidance:</p> <ul style="list-style-type: none"> - An instalment payment plan is an arrangement between a retailer and a customer who is experiencing payment difficulties, for the customer to pay arrears and continued usage on their account according to an agreed payment schedule and their capacity to pay. - Customers using a payment plan as a matter of convenience or for flexible budgeting purposes are not to be counted for the purposes of reporting this indicator. - Must involve at least three instalments. - The key point is that the arrangements enable the customer to continue to receive supply and avoid disconnection. <p>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 payment plan.</p>	Average number of customers on a plan % of Customers
Refundable advances – number	The number of customers who have paid a refundable advance (security deposit) to secure connection or reconnection to supply energy as at the last calendar day of each month within the reporting period.	% of Customers



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Refundable advances – amount	The aggregate dollar value of all refundable advances (security deposits) held by the retailer as at the last calendar day of each month within the reporting period.	Average refundable advance
Disconnections	<p>Reported separately for electricity and gas under each customer category below, the number of customers whose supply was disconnected for non-payment during each month in the reporting period. Note: If a customer was disconnected twice in the same month, this is counted as two disconnections.</p> <p>(a) Residential customers (b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.</p> <p>Note: Premises that are vacant at the time of disconnection should be excluded. Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.</p>	% of Total customers
Reconnections within 7 days	<p>Reported separately for electricity and gas under each customer category below, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for non-payment during each month in the reporting period. Note: If a customer was disconnected twice in the same month, this is counted as two disconnections.</p> <p>(a) Residential customers (b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.</p> <p>Note: Only completed reconnections should be recorded. That is, where a reconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. The 7 days are inclusive, with the day of disconnection being counted as the first day, and include weekends.</p>	% of Total Disconnections
All residential reconnections	Reported separately for electricity and gas, the total number of <u>residential</u> customers reconnected in the same name and at the same address (regardless of the date of disconnection) during the reporting period.	% of Total Disconnections



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Disconnections previously on an instalment payment plan	The number of <u>residential</u> customers disconnected for non-payment during the reporting period that were on an instalment payment plan in the previous 12 months. Note: If a customer is disconnected twice in the same reporting period, this is counted as two disconnections.	% of Total Disconnections
Disconnections on more than one occasion	The number of <u>residential</u> customers disconnected for non-payment during the reporting period who have been disconnected at least once before in the previous 24 months. Note: If a customer is disconnected twice in the same reporting period, this is counted as two disconnections.	% of Total Disconnections
Disconnections of energy concession customers	The number of energy concession customers disconnected for non-payment during the reporting period. Note: An energy concession customer is a <u>residential</u> customer that is recorded by the retailer as eligible for and is receiving an energy concession, where the concession is administered by the retailer.	% of Total Disconnections
Reconnections previously on an instalment payment plan	The number of <u>residential</u> customers reconnected during the reporting period within 7 days of being disconnected for non-payment, who had been on an instalment payment plan in the previous 12 months. Note: If a customer is reconnected twice in the same reporting period, this is counted as two reconnections.	% of Total Reconnections
Reconnections on more than one occasion	The number of <u>residential</u> customers reconnected during the reporting period within 7 days of being disconnected for non-payment, who had been disconnected on at least one other occasion. Note: If a customer is reconnected twice in the same reporting period, this is counted as two reconnections.	% of Total Reconnections
Reconnections of energy concession customers	The number of energy concession customers reconnected in the same name and at the same address during the reporting period within 7 days of being disconnected for non-payment. Note: An energy concession customer is a <u>residential</u> customer that is recorded by the retailer as eligible for and receiving an energy concession, where the concession is administered by the retailer.	% of Total Reconnections



2.3 Financial Hardship Program indicators

{ Reported for residential customers only, under a single 'Energy' category }

Indicators	Retailers are required to report the following data:	How the data will be interpreted
Hardship program participants	The number of current participants in a retailer's hardship program as at the last day of each month within the reporting period, reported under a single 'Energy' category. Additional guidance: No. of participants reported in the previous month + new entrants into the program – total exits from the program = No. of participants reported as at the end of the current month	# Numbers
New entrants into a retailer's hardship program	The number of customers accepted into a retailer's hardship program during each month within the reporting period.	# Numbers
Hardship program participants receiving energy concessions	The number of current participants in a retailer's hardship program as at the last calendar day of each month within the reporting period who are also energy concession customers. An energy concession customer is a residential customer that is recorded by the retailer as eligible for and is receiving an energy concession, where the concession is administered by the retailer. Note: By default, this will also enable the Commission to calculate the remaining participants in a hardship program who are not in receipt of energy concessions.	% of Program participants
Customers denied access to a retailer's hardship program	The number of customers denied access to a retailer's hardship program during each month within the reporting period. This includes those customers referred to the hardship program by any means but who are not accepted into the program. It does not include customers who decline to participate in the program.	% of the SUM of Program participants + No. of customers denied access
Average debt of new entrants into a hardship program	The average debt (amount outstanding for over ninety days) of those customers entering a retailer's hardship program during each month within the reporting period.	\$



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Debt classifications of new entrants into a hardship program	The number of customers entering a retailer’s hardship program during each month within the reporting period with a debt that was: (a) Between \$0 and \$500 (b) Over \$500 but less than \$1,500 (c) Over \$1,500 but less than \$2,500 (d) \$2,500 or more	\$
Average debt of hardship program customers	The average debt (amount outstanding for over ninety days) of all current hardship program customers as at the last day of each month within the reporting period.	\$ Not compared to entry debt
Average length of participation for customers in a hardship program	Average number of days since current participants entered a retailer’s hardship program (calculated as at the last calendar day of each month in the reporting period).	Days
Hardship program exits with agreement from the retailer	For each month within the reporting period, the number of customers exiting a hardship program following successful completion of the program or by agreement with the retailer.	% of Total domestic customers
Hardship program exits due to switching, transferring or leaving the retailer	For each month within the reporting period, the number of customers exiting a retailer’s hardship program because they switched / transferred to another retailer or otherwise left the retailer.	% of Total domestic customers
Hardship program participants excluded for not complying with requirements	For each month within the reporting period, the number of customers excluded or removed from a retailer’s hardship program for non-compliance with program requirements (for example, customer did not make the required payments or failed to maintain contact the retailer). Note: This should also include those participants who leave the program because they feel they are unable to meet program requirements or make the payments required by the retailer.	% of Total domestic customers
Disconnections of all previous hardship program customers within 12 months	The number of customers whose supply was disconnected for non-payment during each month within the reporting period who had, within the previous 12 months, been on the retailer’s hardship program.	% of Program participants ALSO % of Total disconnections



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Reconnections of all previous hardship program customers within 12 months	The number of customers whose supply was reconnected in the same name and at the same address within 7 days following disconnection for non-payment during each month within the reporting period who had, within the previous 12 months, been on the retailer's hardship program.	% of Program participants ALSO % of Total reconnections
Energy field audits provided at no cost	The number of energy field audits provided at no cost to customers during each month within the reporting period. By definition, this excludes energy audits conducted by telephone.	% of Program participants
Energy field audits provided at partial cost	The number of energy field audits provided at partial cost to customers during each month within the reporting period. By definition, this excludes energy audits conducted by telephone.	% of Program participants
Average cost contributed to an energy field audit where a customer contribution was required	Average dollar amount contributed by customers to cover the cost of an energy field audit during each month within the reporting period. Note: The average is based only on customers from whom a partial contribution was required, thereby excluding those audits provided at no cost to the customer.	\$
Appliances provided under a hardship program	The number of appliances provided to participants of a retailer's hardship program, either by the retailer or by a third party nominated by the retailer, during each month within the reporting period. This indicator is intended to reflect the Energy Legislation (Hardship, Metering and Other Matters) Act 2006 (page 4) which refers to "flexible options for the purchase or supply of replacement electrical equipment designed for domestic use". a. Small electrical equipment (eg. light globes, powerboards) b. Large electrical appliances (eg. fridges, freezers)	% of Program participants



2.4 Call Centre indicators

{ Aggregated residential and business customers }

Definitions

Integrated Voice Response (IVR) or automated telephone system

Technology which allows customers to service their own enquiries by following the instructions and navigating menu choices via the telephone keypad or by speech recognition.

Indicators	Retailers are required to report the following data:	How the data will be interpreted
Calls to account line	<p>The total number of calls to a retailer's account line received during each month within the reporting period, including calls answered by an automated response service or IVR*, reported under a single 'energy' category.</p> <p>Excludes calls to sales, unless transferred after initial enquiry at the customer's request.</p> <p>Only calls from Victorian retail customers (residential and business) should be reported.</p> <p>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</p> <p>* Integrated Voice Response (IVR) ~ technology which allows customers to service their own enquiries by following the instructions and navigating menu choices via the telephone keypad or by speech recognition.</p>	# Number



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Calls to an operator	<p>The total number of calls to an operator or customer service officer during each month within the reporting period, reported under a single 'energy' category. Where retailers use an automated or IVR telephone system, this includes those calls where the customer has selected the relevant operator option (that is, indicated they wish to be connected to an operator) and excludes all calls that do not require operator attention:</p> <ul style="list-style-type: none">– any calls abandoned <i>before</i> the customer opts to speak to an operator– IVR calls where the customer does not select an operator option <p>Excludes calls to sales, unless transferred after initial enquiry at the customer's request.</p> <p>Only calls from Victorian retail customers (residential and business) should be reported.</p> <p>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</p>	<p>% of Calls to account line</p> <p>By default, this will also enable calculation of calls handled by an IVR</p>



Indicators	Retailers are required to report the following data:	How the data will be interpreted
<p>Calls to an operator responded to within 30 seconds</p>	<p>The total number of calls to an operator during each month within the reporting period, reported under a single 'energy' category, that were responded to within 30 seconds.</p> <p>Includes calls abandoned within 30 seconds (on the basis that the caller has not allowed sufficient time for the retailer to meet its service standard).</p> <p>Where retailers use an automated or IVR telephone system, the measurement period is calculated from the time that the customer selects an operator option (that is, if the caller's enquiry is answered by the IVR, meaning they don't need to speak to an operator, the call is not counted). For non-IVR telephone systems, the measurement period commences when the call is received by the switchboard.</p> <p>Where a retailer provides an option to call the customer back within a specified time period (rather than have the customer wait on hold until the next operator is available), the call will be considered to have been answered within 30 seconds providing the caller selected the option within 30 seconds and the telephone call was returned by the call centre within the specified time.</p> <p>Only calls from Victorian retail customers (residential and business) should be reported.</p> <p>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</p>	<p>% of Calls to an operator</p>



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Average waiting time	<p>The average time in seconds waited by callers before an operator answered their call; reported under a single 'energy' category and calculated as follows:</p> $\frac{\text{total time waited by callers during the reporting period}}{\text{Calls to an operator} \textit{ minus } \textit{Abandoned calls}}$ <p>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. This indicator should not include abandoned calls, nor include the average waiting time before a call is abandoned.</p> <p>Where an IVR system operates, it is not appropriate to regard the call as answered as soon as the IVR system accepts the call</p> <p>Only calls from Victorian retail customers (residential and business) should be counted.</p> <p>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</p>	Time-based (seconds)
Abandoned calls	<p>The total number of calls abandoned during each month within the reporting period while awaiting operator response after being forwarded to an operator, reported under a single 'energy' category. For retailers with an IVR telephone system, only those calls where the customer had already selected the operator option before abandoning the call are counted.</p> <p>Only calls from Victorian retail customers (residential and business) should be reported.</p> <p>Regulated entities with only large customers and no IVR telephone system in place are not obliged to report on this indicator.</p>	% of Calls to an operator



2.5 Complaints indicators

{ Reported separately for residential and business customers }

Definitions

Complaint

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 implied. Complaints can be made in person, by telephone or in writing (for example, letter, email, facsimile). For the avoidance of doubt, complaints include the following type of contacts:

- Where a customer expresses dissatisfaction and seeks a response or resolution regarding the conduct, action, proposed action, or failure to act by the retailer, its employees, agents, contractors or other representatives. This includes failure by the retailer to observe its published or agreed practices or procedures or in respect of a product or service offered or provided by the retailer or its representatives;
- Where a customer threatens to involve, or enquired about the possibility of involving, a third party, for example, the jurisdictional energy ombudsman or Member of Parliament.
- Where a complaint is directed to the retailer on behalf of the customer by an energy ombudsman scheme.
- 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 recorded.
- 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.



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Complaints – billing	<p>The number of complaints received each month during the reporting period, reported separately for electricity and gas*, including (but not limited to) those regarding:</p> <ul style="list-style-type: none"> – prices – overcharging – high bills – billing errors – payment terms and methods – failure to receive government rebates – debt recovery practices – imminent and actual disconnection. <p>* If a customer has both electricity and gas accounts with a retailer and makes a single billing complaint of a general nature (for example, relating to the retailer's debt recovery practices), retailers will use discretion in categorising the complaint, including the possibility of recording two complaints.</p>	% of Total customers
Complaints – marketing	<p>The number of complaints received each month during the reporting period, reported separately for electricity and gas*, including (but not limited to) complaints associated with a retailer's or its agents/representatives' actions in seeking to sign up a small customer for a contract for energy supply/service, and complaints regarding:</p> <ul style="list-style-type: none"> – sales approach or conduct – advertising campaigns – contract terms – sales techniques – misleading conduct. <p>* If a customer makes a single complaint regarding the marketing of both electricity and gas, retailers will use discretion in categorising the complaint, including the possibility of recording two complaints.</p>	% of Total customers



Indicators	Retailers are required to report the following data:	How the data will be interpreted
Complaints – customer transfers	<p>The number of complaints received each month during the reporting period, reported separately for electricity and gas*, regarding the financial responsibility for a customer’s electricity and/or gas account being transferred to either an existing or new retailer, and includes (but not limited to):</p> <ul style="list-style-type: none"> – failure to transfer within a certain time period – disruption of supply due to transfer – billing problems directly associated with transfer (for example, billing delays). <p>* If a customer makes a single complaint of a general nature regarding the transfer of both their electricity and gas accounts to a retailer (for example, failure to transfer within a certain time period), retailers will use discretion in categorising the complaint, including the possibility of recording two complaints.</p>	% of Total customers
Complaints – other	<p>The number of complaints received each month during the reporting period, reported separately for electricity and gas*, that do not classify as a billing, marketing or customer transfer complaint. Examples include (but are not limited to):</p> <ul style="list-style-type: none"> – poor customer service – privacy issues – failure to respond to complaints – health and safety concerns. <p>* If a customer makes a single complaint of a general nature not specific to either electricity or gas (for example, a privacy concern), retailers will use discretion in categorising the complaint, including the possibility of recording two complaints..</p>	% of Total customers