

22 June 2018

Dr Ron Ben-David
Chairman
Essential Services Commission
GPO Box 520
Melbourne VIC 3001

Compliance and Performance Reporting Review 2018

Thank you for the opportunity to provide a submission in response to the Compliance and Performance Reporting Review 2018.

Momentum Energy is a 100% Australian-owned and operated energy retailer. We pride ourselves on competitive pricing, innovation and outstanding customer service. We retail electricity in Victoria, New South Wales, South Australia, Queensland, the ACT, and on the Bass Strait Islands. We offer competitive rates to both residential and business customers along with a range of innovative energy products and services. We also retail natural gas to Victorian customers.

Momentum Energy is owned by Hydro Tasmania, Australia's largest producer of renewable energy.

Momentum is committed to the success of the Payment Difficulty Framework in assisting Victorian consumers to maintain access to the essential services of gas and electricity supply and to avoid disconnection. We recognise that appropriate data is required in order to judge the effectiveness of the framework and to enable refinements if they are required at a point in the future. In light of this we generally support the proposed amendments to the Compliance and Reporting Guideline. We do however consider that some elements of the guideline require further clarification to ensure that the information provided by retailers is meaningful.

It is unclear whether customers who commence and complete standard assistance in the form of a payment extension in the same month would be captured. We would suggest that the ESC would require data on how many customers take up this option however it does not appear to be captured by the definition as it refers to customers receiving standard assistance, presumably at the end of each month in the reporting period. This logic would also mean that payment plans which end in a reporting month would not be captured as they are not active as at reporting date. We seek clarification if this reporting approach is correct.

Similarly, issues arise with the indicator: Residential customers who accessed both standard and tailored assistance. While we are clear that this indicator applies to customers who accessed standard assistance and proceeded to receive tailored assistance in the last 6 months it is unclear how this is to be reported. A customer can remain on tailored assistance for a considerable period and we are seeking clarification on whether the customer continues to be counted as having received both standard and tailored assistance for the duration of their tailored assistance, for a period of up to six months after their standard assistance or whether they are counted just once when they commence tailored assistance within 6 months of being on standard and are no longer reported in subsequent periods.

Momentum is concerned with the capacity for retailers to report on the standard assistance option of customers who pay in advance. Customers may choose to pay in advance without making formal arrangements to do so, either because they have been proactive in dealing with payment difficulty

or as a matter of convenience. There is also the possibility that a payment in advance may be completely inadvertent on the part of the customer as they simply pay in excess of the balance due at any point in time. Momentum will obviously report as accurately as possible however we wish to point out the potential shortcomings in this indicator.

Another possibility which may distort reporting is that customers may opt for payment smoothing as a standard assistance option but retain this option for convenience purposes one their circumstances change. We wish to point out that that we will be unable to differentiate between these scenarios and consequently customers on standard assistance will be over reported.

Finally, while we acknowledge that the ESC would ideally like an idea of the number of customers who implement the assistance measures offered by their retailer, we do not believe that it is appropriate to require retailers to report on this. Retailers do not have a view of what transpires inside the customer's home, and while we do have visibility of outcomes (such as reductions in consumption) we are unable to state what, if anything, the customer has implemented to achieve these outcomes.

We trust that the final decision will provide clarity on the issues raised above and, if the indicator regarding implementation of assistance is maintained, that the ESC provides clear justification of its reasoning and guidance on how retailers can report on this.

If you wish to discuss this submission in further detail, please contact Joe Kremzer on ([REDACTED]
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