Final Instrument:

Amendments to AER (Retail) Performance Reporting Procedures & Guidelines

Version 3

April 2018

AUSTRALIAN ENERGY REGULATOR

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1 About this document

1.1 Relevant law

The National Energy Retail Law (Retail Law) requires the AER to publish retail market performance reports providing information on the following matters:

- A retail market overview, including[1]:
  - A statement of the number of retailers and the number of retailers actively selling energy to customers
  - An indication of the number of customers of each retailer
  - An indication of the total number of customers with standard retail contracts and market retail contracts respectively, and the numbers by reference to each retailer
  - An indication of the numbers of customers who have transferred from one retailer to another retailer
  - A report on energy affordability for small customers.
- A retail market activities report, including information and statistics on the following activities of regulated entities[2]:
  - Customer service and complaints
  - The handling of customers experiencing payment difficulties (distinguishing hardship customers and other residential customers experiencing payment difficulties)
  - The provision of prepayment meters to customers, including (but not limited to) the total number of customers using prepayment meters, self-disconnections and numbers of pre-payment meters removed due to payment difficulties
  - De-energisation of premises for non-payment (distinguishing between hardship customers and other residential customers on payment plans), and re-energisation of those premises
  - Concessions for customers (where retailers administer the delivery of those concessions to customers)
  - The number and aggregate value of security deposits held by each retailer as at 30 June each year.

This information must be provided by reference to participating jurisdictions and different categories of customer as determined by the AER.[3] The retail market

1 s. 285, Retail Law; cl. 166, National Energy Retail Rules (Retail Rules).
2 s. 285, Retail Law; cl. 167, Retail Rules.
3 cl. 166(2), 167(3), Retail Rules.

activities report must provide sufficient detail to explain the key factors relevant to the level of and trends in the performance of regulated entities.[4]

The reports must also include:

- a report on the performance of retailers by reference to the hardship program indicators (developed by the AER under s. 287 of the Retail Law)[5]
- a report on the performance of distributors by reference to distribution service standards and associated guaranteed service level schemes[6]
- where applicable, a report on the performance of distributors in relation to the small claims compensation regime under Part 7 of the Retail Law[7].

The reports may also include any additional matters that the AER considers appropriate for inclusion.[8]

1.2 Role of the Guidelines

The AER Performance Reporting Procedures and Guidelines (the Guidelines) support the AER's reporting function by specifying the manner and form in which regulated entities must submit relevant information and data to the AER, including the date or dates each year by which it must be submitted to the AER.[9]

The reporting requirements specified in the Guidelines are binding on regulated entities, and non-compliance may attract civil penalties or infringement notices.[10]

1.3 Definitions and interpretation

In this Notice, key words and phrases have the meaning given to them in the glossary of the Guidelines or, if not defined in the glossary, the Retail Law and National Energy Retail Rules (Retail Rules).

1.4 Industry changes

Significant changes have occurred in the retail energy market over the five years since the last version of Guidelines commenced. In the face of growing concerns about energy affordability and hardship issues, the introduction of metering contestability and an increased desire for transparency over what is happening in the market, we undertook a wholesale review of the data that we collect from reportable entities.

In particular, we sought to make amendments to capture:

4 cl. 167(2), Retail Rules.
5 s. 285(c), Retail Law.
6 s. 285(d), Retail Law.
7 s. 285(e), Retail Law.
8 s. 285(f), Retail Law
9 s. 286(3), Retail Law.
10 s. 282, Retail Law.

- further detail about the retail market and market structure (particularly regarding customer contracts);
- information on the roll out of smart meters as a result of the metering contestability regime which commenced on 1 December 2017; and
- further information about customers experiencing payment difficulties (including in relation to payment plans, hardship programs and referrals to credit collection agencies).

Other key aspects of the Guidelines we considered were:

- timeframes for reporting; and
- the manner in which information must be submitted.

1.5 Consultation and stakeholder feedback

The AER may amend the Guidelines at any time in accordance with the retail consultation procedure.[11] This Notice provides details of the consultation we undertook and reasons for the changes we have made to arrive at the final Version 3 of the Guidelines.[12]

We published our proposed changes to the Guidelines for stakeholder consultation on 20 December 2017. Interested parties were invited to make written submissions by 19 February 2018. We received 15 public submissions from retailers, consumer groups and ombudsman. These submissions are available on our website (www.aer.gov.au).

All 15 public submissions received during the consultation period broadly supported the AER's proposed amendments to the Guidelines.

We considered the information and feedback provided through the consultation process in formulating the final Version 3 of the Guidelines. We have summarised the issues raised by stakeholders and our responses to those issues at **Attachment 1**. We also provide a high-level summary of key issues in **Section 2**.

11 s. 286(4), Retail Law.
12 National Energy Retail Rules s 173(2)(b)(ii).

2 Key amendments

2.1 Commencement date

We initially proposed that the final version of the Guidelines would take effect from 1 July 2018, with regulated entities required to report the new data set from Quarter 1 2018/19.

During consultation a number of stakeholders expressed concern that this timeframe would not allow sufficient time for retailers to make the system changes required to capture each new indicator. Given this and other changes occurring in the energy sector (such as the proposed changes to Retail Pricing Information Guidelines due to commence mid-2018), we have moved the commencement date back six months to **1 January 2019**, or the commencement of Quarter 3 of 2018/19.

We expect this additional time will give regulated entities sufficient time to implement and test the required changes to their reporting systems and processes in order to submit accurate reports.

Regulated entities will be required to submit their first quarter of data for the period 1 January 2019 to 31 March 2019 (Quarter 3) to the AER by no later than 30 April 2019.

2.2 Timeframes for reporting

The Guidelines have been amended to require Quarter 4 and Annual report data to be submitted by no later than **31 July each year**, rather than the current deadline of 31 August each year.

Retailers expressed concern regarding the reduced timeframe, submitting that businesses already have extensive reporting requirements at the end of the financial year.

Given regulated entities are already providing quarterly reports within one month of the end of each other reporting period, we consider it reasonable to implement this change in order to bring the reporting in line with existing requirements at other times of the year.

We recognise this may be challenging to implement for Quarter 4 of 2017/18. This, in part, informed our decision to delay the Guidelines' commencement date by six months in order to allow reporting entities ample time to plan for, and comply with, the new Quarter 4 and Annual report deadline in July 2019.

2.3 Explanation for variations of 10% or more

We proposed requiring retailers to provide an explanation to the AER where they report more than a 10% variation in the data from the previous reporting period. This proposal was designed to require retailers to proactively monitor trends in their data and to identify errors as they arise.

A number of stakeholders were concerned that this was too onerous given seasonality factors and changes in customer numbers. Some retailers suggested raising the threshold to 25%.

Although we continue to expect retailers to actively monitor trends in their data we agree that the potential variations that can occur due to changes in customer numbers, seasonality and other factors is such that the benefits that might arise from additional information collected are outweighed by the onerous nature of the requirement. We have therefore **deleted** this requirement.

2.4 New indicators

Through the consultation process we identified some gaps in the Guidelines. As a result of stakeholder feedback, two new indicators have been introduced.

We had proposed an indicator about customers moving from standard to market contracts. To ensure a holistic view of the market we also have introduced a new indicator to capture the number of customers moving from market to standard contracts.

We had proposed an indicator about smart meter installation complaints. Given installation timeframes have been the source of significant concern since the commencement of the new framework, we have added a complaint category to capture customer complaints related to smart meter installation delays.

The new indicators are:

- Number of customers who moved from market to standard contracts during the period;
- Number of complaints made about a smart meter installation delay.

2.5 Frequency of reporting data for indicators

In reviewing the Guidelines it was identified that some original indicators had required data be provided on a monthly basis and reported quarterly, and others required data on a yearly basis.

In order to streamline the reporting process, for the benefit of the retailers, we have removed the need for retailers to provide monthly data. These indicators now require data be reported on a quarterly basis. The indicators impacted by this are:

- Number of customers disconnected for non payment;
- Number of customers reconnected within 7 days of disconnection; and
- Number of customers on a hardship program.

Three indicators that had yearly reportable data requirements have been changed to quarterly. This will bring these indicators in line with others, and assist in creating more efficient and consistent retailer reporting processes. These indicators are:

- Number of energy concession customers;
- Number of residential customers who successfully completed their payment plan; and
- Number of residential customers using Centrepay.

2.6 Other changes

We have made a number of other changes since we consulted on the amended Guidelines:

- We will now allow a delegate appointed by the CEO to sign off Quarter 4 reports, rather than requiring all Quarter 4 reports to be signed off by the CEO.
- We have reformatted and renumbered existing indicators to provide greater clarity and readability.
- We deleted "A.3 Accompanying commentary template". This included some optional case studies, contact details and required details of assistance provided to hardship customers. We consider amendments elsewhere in the Guidelines adequately capture this information.

The Performance Reporting Template at Appendix A.2 of the Guidelines will be updated to reflect the changed information requirements as a result of this consultation process. We will email this to reporting entities as soon as it is finalised.

3 Changes in reporting

In our Draft Notice of Instrument published for stakeholder consultation we noted that from 1 July 2018, we will be publishing market share data for **all** retailers. To date, we have only published the market data of those retailers with more than 10 per cent of market share, with market share of smaller retailers aggregated.

We consider developments in the retail market, including the number of new entrant retailers and a desire from stakeholders for greater transparency over market conditions and activity, support this approach.

As this does not constitute a change in retailers' reporting obligations, but rather in the form of the information the AER publishes, this change will take effect from 1 July 2018. The more detailed market share data will be published in the annual performance report for the year 2017-18.

4 Final view

Stakeholders who responded with a submission were broadly supportive of the changes proposed to report on additional data points within Guidelines.

Stakeholders identified several indicators that would benefit from rewording or clarification and these suggestions have been taken into account in the final version of the Guidelines.

Definitions have been added to aid retailers in understanding the intention of the new indicators.

Submissions identified certain gaps in the indicators, and two new indicators have been added to the final version of the Guidelines to ensure a comprehensive collection of data.

Further to the submissions made, retailers are no longer required to explain a variation in data. The commencement date has been reviewed and extended to enable retailers to take appropriate action to ensure accurate reporting will be delivered by the implementation date of 1 January 2019.

Attachment 1: Summary of Submissions

Implementation Date

Submissions	AER Response

Submissions

ActewAGL - In addition to extra costs which may be incurred as a result of required system changes, there are also important timeframe considerations for the implementation of the proposed changes. The proposed requirements are not insignificant and ActewAGL anticipates it will take several months to design, build and test any system changes and new reporting arrangements. Given a number of key resources are also still working on the transitional elements of Power of Choice, ActewAGL would advocate for a later commencement date.

AGL - The complexity of the reports will add to both the timing and cost delivery for the information requested. AGL considers that most of the amendments can be incorporated into systems within three months of the finalised amendments to the Performance Reporting Guideline, but some indicators are either unclear or technically complex and will likely require a longer period to develop solutions for. AGL recommends a staged or later implementation date.

Ergon Energy Queensland - Many of the proposed amendments to the Guidelines will have significant impacts on EEQ, increasing the type and quantity of data to be captured and reported to the AER. Such changes will require significant and costly changes to reporting

AER Response

The AER will publish the final Guidelines in April 2018 and we intend to provide retailers with adequate time to design, upgrade, implement and test systems that will deliver accurate reportable data.

Preparation Time (after Guidelines release)	Reporting Period	Reporting Due By	Data Published By
8 months	Q3 Jan to Mar 19	30 Apr 19	Mid Jun 19
11 months	Q4 Apr to Jun 19	31 Jul 19	30 Nov 19

The timeframes provided by retailers are varied and range from three to 12 months with most submissions suggesting that about six months would be a best case scenario for delivering accurate data. On this basis the AER has decided on an implementation date of **1 January 2019**. This provides adequate time for retailers to create robust reporting mechanisms. Retailers will be required to submit Quarter 3 data to the AER by 30 April 2019.

systems and processes. This applies even if EEQ is currently capturing this information as the data may not be allocated in a way that enables reporting in the manner required.

EEQ also notes the importance of testing and stabilising any system changes prior to full implementation. A rushed implementation has the potential to create additional issues with data integrity and the timeliness of reporting. On this basis, EEQ strongly requests that the AER consider deferring the implementation date for these changes to 1 July 2019 to allow sufficient time to enable retailers to make the necessary technical changes to reporting systems, as well as testing to ensure a robust compliance system.

ERM Business Energy - ERM Business Energy contends that the rushed introduction of new performance indicators without allowing a time for proper preparation, poses additional costs on retailers and may compromise accuracy and compliance. Retailers must be provided a sufficient timeframe to manage this regulatory change. ERM Business Energy proposes an implementation date of July 2019 to allow for system scoping, development, testing, procedure building and training for staff to capture information, including new complaint categories.

Red Energy/Lumo Energy - Collection and verification of this additional data is not without cost and is not, in every instance, something that most retailers can do with their current systems. Red Energy and Lumo Energy suggest it will take at least 6 months from the finalisation of new obligations for the majority of retailers to comply, so 1 January 2019 is a more appropriate commencement data. This might also mean adopting some flexibility in enforcing compliance.

The AER will introduce an implementation date of 1 January 2019 in the final version of the Guidelines. This will require all data to be collected from 1 January 2019 for Quarter 3 and reported to the AER by 30 April 2019.

The AER must also carefully consider the extent to which this additional information will be a basis for meaningful analysis, particularly in light of the level of granularity that it proposes. The more categories the AER proposes, the greater the cost.

Simply Energy - Simply Energy is concerned with the commencement date as proposed. In order to report full Q1 2018/19 data, systems and processes to capture all requirements must be fully implemented by 1 July 2018. Factoring in the final version release, this does not allow for enough time to scope and build requirements. Therefore, Simply Energy supports a commencement date of 1 September 2018, with the first new report due 28 February 2019.

2.2.2 - Quarter 4 and Annual Reports	
Submissions	**AER Response**
Powershop - understands the rationale behind the proposed change, but disagrees with moving the due date. Moving the quarter 4 and annual report due date to 31 July will result in a misalignment of the Essential Services Commission (ESC) and AER Quarter 4 reporting. Powershop's position is that 31 August should remain the due date for this reporting. **ERM Business Energy**- has issues with the dramatic increase of indicators and bring forward the quarter four reporting deadline by one month. This will limit accuracy checks and time to seek CEO to sign off, as well as placing an unrealistic expectation on retailers to	Concerns raised by retailers regarding the Quarter 4 due date covered a range of issues. The AER has taken the following into consideration: ○ The alignment of the Quarter 4 due date with all other quarters. ○ Allowing a delegated officer (appointed by the CEO) to sign off Q4. Delegated officers are currently able to sign off all other quarterly reports. ○ Reducing the number of yearly (only) reportable indicators. ○ Providing extended time for retailers to build robust reporting

compile statistics. The date would no longer be consistent with the compliance reporting due date, resulting in an inefficient process of seeking executive approvals. **AGL –** would like the AER to align reporting dates with other regulatory reporting requirements imposed on retailers. **Ergon Energy Queensland** - does not support the proposed change and seeks to keep the existing deadline submission of 31st August. **Red Energy/Lumo Energy –** seeks to maintain the current deadline for greater accuracy and to align the deadline in Victoria to (decrease) the risk of error. **Origin Energy** - the timeframe is too tight for the reporting for the reporting, validation and approval processes. Origin requests a further week for the proposed submission date. **ActewAGL Retail –** moving the date forward places additional pressure on retailers given that it coincides with end of financial year reporting, and the date should (if it is to be changed) pushed back.	systems and processes for implementation 1 January 2019 rather than the proposed 1 July 2018. **The AER will change the due date for Quarter 4 to 31 July in the final version of the Guidelines. This will require Quarter 4 data to be submitted to the AER by 31 July 2019.**

2.3.5 Manner and form in which information and data must be submitted	
Submissions	**AER Response**
Pooled Energy - As a small energy retailer, a 10% variation in any one of Pooled Energy's datasets may be unrealistic given a minimal increase/decrease in our volume may lead to a variation of far greater than 10%. Poole Energy recommends an amendment to the clause from "Where there is a significant variance of data reported from the	The submissions highlighted concerns about the volume of indicators that may reasonably vary over 10% from quarter to quarter. Issues such as seasonality and low data sets changing may all contribute to high percentages of variation in indicator numbers submitted by retailers. The introduction of this indicator may impact smaller retailers

previous reporting period that may increase the organisation's risk or operation's profile by more than 10%, retailers are required to provide an explanation outlining the reasons for the variation."

Powershop - supports this change.

EWON – supports this as it will focus retailers' attention on the reasons for substantial changes within their data.

ERM Business Energy- A higher threshold or minimum base trigger to this requirement is recommended.

Ergon Energy Queensland - does not support setting the mandatory variance reporting threshold at 10%.EEQ voluntarily provides explanations in reporting to clarify issues or variances. EEQ believes that such a threshold is too low and will require explanations for unnecessary and non-material variations. A more appropriate threshold for explanation could be where variance is greater than 25% and/or greater than 250.

Red Energy/Lumo Energy – has issues with the 10% variance from previous reporting period as retailers will need to provide numerous explanations of relatively insignificant movements, particularly in indicators with many subcategories. A threshold of 25% would be more appropriate.

Origin Energy – these changes may produce significant duplication of comments. Origin also has many data points with relatively small numbers where a 10% change would be significant. Origin suggests that the requirement for comment be limited to discrete groups of performance indicators (as Origin currently provides), or to performance indicators of particular significance to the AER.

in different ways to larger retailers that typically report larger whole numbers.

The AER has conducted further consultation with retailers and explored the volume of indicators that have historically varied.

The AER proposed the introduction of this indicator to encourage retailers to conduct additional quality assurance of data prior to submitting it each quarter. Retailers have described a number of improvements being made to improve their internal quality assurance mechanisms.

The AER will not include this proposed indicator in the final version of the Guidelines.

ActewAGL Retail – does not support the introduction of this requirement. Low value indicators can often vary by over 100% each quarter e.g. from 1 to 2 or even 100 to 115. Its position is that explanations should therefore only be required on an 'as needed' basis where retailers consistently report substantial data variances.

2.4.1 Process for submission of reports	
Submissions	**AER Response**
Powershop – supports this inclusion. **Ergon Energy Queensland** - No comment on this change.	**The AER will include this change in the final version of the Guidelines.**

A3 - Accompanying commentary template	
Submissions	AER Response
Powershop – supports this inclusion. **Ergon Energy Queensland** - no comment on this change.	**The AER will include this change in the final version of the Guidelines.**

S2.3 The number of customers that have moved from standard to market retail contracts (Quarterly)	
Submissions	**AER Response**
Powershop - supports this change **ERM Business Energy**- recommends the removal of this requirement for large customers as large customers are not regulated with standard contracts. Tracking large customers between contract types is inappropriate as this sector includes many commercial and industrial customers are on bespoke, tailored arrangements. **AGL** – is unclear about why this indicator has been extended to include large customers as the Rules focus on small customers. **Ergon Energy Queensland** - Queensland legislation prevents EEQ from offering market retail contracts for electricity, and EEQ does not supply gas. **Red Energy/Lumo Energy** – does not support introducing reporting obligations to large customers, as they largely fall outside of the scope of NECF. The commercial and industrial retail market differs from that for residential and small business customers in many ways, and grouping customers in this way is of limited use. **ActewAGL Retail** – recommends that for a customer to be counted in this indicator, they must have received at least one bill as a standard retail contract customer prior to seeking a move to a market retail contract. Also, ActewAGL does not have large customers on SRCs. **CHOICE** – Choice supports the inclusion of this indicator to help	The submissions all support the inclusion of this indicator but many query the inclusion of requesting information about large customers. The AER regulates all energy customers, including large customers. Historically there has been a focus on residential customers. However, there is a growing focus on understanding more about all segments of the market, including small business and large market customers. The AER has seen a growing number of queries from Government agencies and other stakeholders about large customers and does not currently hold adequate data about this group. The AER notes that the National Energy Retail Rules state that the Guidelines must provide information about ‘small customers and large customers, and residential customers and business customers’ and the existing Guidelines already capture data on large customers. This amendment merely expands that data set to allow for a more comprehensive overview of the real market. **The AER will include this indicator in the final version of the Guidelines (see indicator 2.3 V3.)** Indicator 2.1 V3 has also been updated to request data from large customers. As a result of the consultation process and review the AER has also introduced an indicator that captures data about customers moving

determine the true level of competition in the market by providing data on the number of customers switching contracts but remaining with the same retailer. Choice is concerned with the low levels of customer switching providers, due to barriers in the market reducing even engaged customers switching. **Simply Energy** - does not support this indicator as large market customers are traditionally outside the scope of performance reporting indicators as they are specifically excluded from additional customer protections afforded by the National Energy Retail Law (NERL). Large market contracts are also not structured in the same ways as small customer Standard Retail Contracts and Market Retail Contracts and should not be included.	from market to standard contracts. This will provide a complete data set about market movements. **The AER will introduce a new indicator about customers moving from market to standard contracts (see indicator 2.4 V3.)**

S2.4 The number of customers on a market retail contract with an expired fixed benefit (Quarterly)

Submissions	AER Response
Powershop - supports this change. **EWON** – supports the inclusion of this. EWON also notes that the guidelines are silent as to whether reporting is required if a fixed benefit period ends, but the contract continues on the same rate. The requirement on retailers under Rule 48A of the National Energy Retail Rules to notify customers at the end of a benefit period only if the benefit changes. **ERM Business Energy** – recommends removal for large customer contracts as they are not regulated under the fixed benefit rule and should not be reported.	The submissions generally support the inclusion of this indicator but many query the inclusion of requesting information about large customers. The wording of this indicator has been reviewed in line with the submissions received. The AER will not request data about large customers and has removed this requirement. **The AER will remove the requirement to provide data about large customers for this indicator (see indicator 2.5 V3.)**

Ergon Energy Queensland - Queensland legislation prevents EEQ from offering market retail contracts for electricity, and EEQ does not supply gas. EEQ seeks clarification from the AER on this reporting requirement:

- Is reporting only required where the contract fixed benefit period has expired during the reporting period or for all customers who remain on a contract where a fixed benefit period has ended regardless of when the fixed benefit expired?

- Will a customer need to be reported across multiple reporting periods if they choose to not enter into a new contract with a fixed benefit period?

ActewAGL Retail – the procedure requirement and description of requested data currently appears inconsistent. “Initial fixed benefit period” is not clear and could be interpreted differently by retailers. As with S2.3, the addition of large customers in this indicator is out of scope.

The procedure requirement and description of requested data currently appears inconsistent with the AEMC’s Rule Determination, National Energy Retail Amendment (Notification of the end of a fixed benefit period) Rule 2017. However, ActewAGL notes that the AEMC rule change specifically targets small customers, not large. As with S2.3, the addition of large customers in this indicator is out of scope.

Simply Energy – it is unclear what the AER is looking for with the addition of large market customers. Further, “Benefit Period” is small market customer language and does not apply to a large market scenario.

The end of contract arrangements are also generally negotiated along with the initial contract to ensure continuity of supply. There are many contracts that are negotiated under competitive tendering arrangements, with some customers proposing terms for supply based on individual needs for continuity of supply and/or notice requirements for outages, emergencies etc. These arrangements will most certainly differ between retailers and there is no standard contract or default position that a customer moves “back on to” for their supply.

S2.5 The number of unknown or deemed customers (Quarterly)	
Submissions	**AER Response**
Powershop - supports this change. **EWON –** supports this change. **ERM Business Energy –** wants this requirement removed for large customers as they are not regulated with deemed arrangements. It is not clear if ‘deemed’ customers would include those that have been assigned a deemed agreement after the expiring of their contract under rule 48, or if this indicator would include vacant sites. Clarify the definition of “unknown customers” and clarify whether “deemed” customers includes those that are on deemed arrangements for other reasons such as contract expiry (in which case the customer is not unknown). **AGL** - requires greater clarity on this amendment and what it is intended to show. Retailers are able to disconnect a site for non-	The AER has reviewed the wording of this indicator to bring it in line with the definitions set out in the Rules. For the purposes of this indicator the AER requests data only about customers that have received a bill for usage. This will assist the AER in analysing how customers engage with the market. This should provide further clarity to retailers regarding the expectations of what data should be collected for this indicator. **The AER has updated the wording of this indicator for the final version of the Guidelines (see indicator 2.6 V3.)**

identification under Rule 115 so any figures provided may not provide the intended results.

Ergon Energy Queensland - needs additional clarification on how a retailer should classify a deemed or unknown customer when they do not hold any information for that customer. In particular, should the customer category be based on the category of the last known occupant of the premises or an alternative method? EEQ notes that using the last known occupant may impact the accuracy of reporting.

EEQ also seeks further clarity for whether the metric only consider unknown move-in customers or should retailers also consider carry-over customers (with a deemed arrangement where contract has ended) in this metric.

ActewAGL Retail – does not support the addition of this requirement. Due to different threshold levels between retailers, the indicator may not be measured on a ‘like for like’ basis across the market – retailers with a lower threshold will have far greater numbers than retailers with a higher one.

Simply Energy – states that there is a difficulty in classifying deemed customers as they are normally transitional and can be altered retrospectively based on when a customer accepts responsibility for supply. Other issues raised include:

The retailer can only determine the type of meter based on the site characteristics, not by actual customer class or intended use because it is largely unknown.The knowledge of a deemed contract whether the customer is known or unknown demonstrates that the property is an unknown quantity not a known quantity.

Where there is a deemed contract with zero usage and the retailer doesn't charge for daily supply to the property, is that still counted towards the indicator? In this case there is the potential for someone to take supply which would be the trigger point for the contract to be in effect.

S2.6 The number of customers with Type 4 or 4A smart meters and reasons for installation (Quarterly)	
Submissions	**AER Response**
Powershop – does not support this change as it is an unnecessary reporting burden given the latest and most accurate data already exists with AEMO. **EWON –** strongly supports this change, due to the high level of complaints experienced during the retailer led rollout of net meters throughout 2017 (after the end of the NSW Government's Solar Bonus Scheme). This reporting will provide industry-wide insight into the experience of customers following this change and may also provide an insight into whether retailers' frontline staff are providing accurate information to customers and whether 'opt out' approaches are working. **Ergon Energy Queensland** - needs additional clarification in regards to: - Is the "Total Number" requirement referring to the number of meters installed during the reporting period or a cumulative total of all meters for the retailer? If a cumulative total, which start date should be used (e.g. commencement of new metering rules on 1/12/2017; new	The AER has introduced this indicator in order to understand the status and progression of the rollout of smart meters through the Power of Choice. We are interested in understanding how the installation process continues from quarter to quarter with each retailer and how customers interact with the options offered through Power of Choice. The AER has reviewed the wording of this indicator to specify that data should be reported only for installations that have occurred within that reporting period. This should provide further clarity to retailers regarding the expectations of what data should be collected for this indicator. **The AER has updated the wording of this indicator for the final version of the Guidelines (see indicator 2.7 V3.)**

reporting obligation date 1/7/2018 etc.).

- How will type 4 meters installed before 1/12/2017 be treated? If reporting is to apply retrospectively, reasons for installation may not be available or evident. For example, EEQ has not collected data on 'smart meters' prior to 1/12/2017.

- If a smart meter is churned, is the retailer required to still report on the original installation of the smart meter, or only the most recent installation?

S2.7 Types of tariff structures for electricity customers with smart meters (Quarterly)	
Submissions	**AER Response**
Powershop – does not support this change. Powershop does not see the benefit of providing retail tariff information for every single customer and views this as an unnecessary reporting burden. Two of the biggest drivers of energy bills are; 1) The customer being on a standard retail contract, as they generally has less favourable rates. This information is already being reported; and 2) Customers being on an expired fixed benefit period contract (and thereby subject to the 'loyalty tax'). This information will now be reported to the AER in accordance with S2.4 of this Guideline. **EWON –** supports this change.	The AER has introduced this indicator in order to understand the status and progression of the rollout of smart meters through the Power of Choice. We are interested in understanding how the installation process continues from quarter to quarter with each retailer and how customers interact with the options offered through Power of Choice. Further to the consultation process, the AER has removed the sub-categories of contract types. The AER has reviewed and updated the wording of this indicator in relation to the description of the tariff structures. This should provide further clarity to retailers regarding what data should be collected for this indicator.

Ergon Energy Queensland - EEQ seeks further clarity on: - Do smart meter reporting obligations apply to Type 4, Type 4A or both? (EEQ notes various definitions of "smart meter" eg. Version 3 of Performance Reporting Procedures and Guidelines define smart meters in the context of 'Metering Contestability' as competitive deployment of smart meters also known as Type 4 or Type 4A'. However, prior publications from AER refer to smart meters as "A smart meter (also known as an advanced meter or 'type 4' meter) is a device that digitally measures your energy use".) - Does this reporting requirement for new type 4/4A only apply to meters installed since the commencement of new metering rules on 1/12/2017? - Is this reporting obligation only for new type 4/4A meters installed in the reporting period or ALL smart meters installed by the retailer in the market? - Does the reporting requirement apply to small customers only or all customers? - How should customers with both a flat rate and a time-of-use tariff be reported? Should they be reported twice or should some hierarchy be applied – i.e. should only primary tariffs be reported or all tariffs (controlled load will always be flat but are not primary)? **ActewAGL Retail** –would like clarification regarding exactly where demand tariffs would fit within this requirement.	**The AER has updated the wording of this indicator for the final version of the Guidelines (see indicator 2.8 V3.)**

S2.8 Types of tariff structures for - solar electricity customers (Quarterly)	
Submissions	**AER Response**
Powershop - supports this change. **ERM Business Energy –** wants this requirement removed as it is doubtful that reporting on the number of customers on government vs non-government feed in tariffs will provide to the AER an understanding of "how tariffs impact customers", nor any other qualitative information. This additional statistic will result in more onerous and costly reporting with unsubstantiated value or benefit. **Ergon Energy Queensland** - currently undertakes significant reporting to local jurisdiction regulators who have responsibility for state based solar schemes. **EEQ** seeks further guidance and clarity from the AER on this reporting requirement : - Is the reporting obligation seeking to capture the number of solar customers eligible for the solar feed-in tariff at end of the relevant reporting period OR the number of customers that have received a credit in the reporting period? - The definition of a government funded feed-in tariff is required - is it AER's intention to capture data on government mandated schemes which are recovered through network charges via a cost pass through arrangement? EEQ also notes that it is not clear if this requirement will provide an accurate indication as to whether retailers are offering attractive solar	The AER understands that some retailers already collect this information to provide to Government departments and providing it to the AER will not be onerous. Definitions have been added to the Guidelines to assist retailers understand what is required for reporting purposes. The data provided by this indicator will assist the AER and other stakeholders understand how renewable energy contracts sit alongside other types of contracts. **The AER will include this indicator in the final version of the Guidelines (see indicator 2.9 V3.)**

market offers. Government funded/mandated schemes are generally more generous than retailer feed-in tariffs and movement of customers from government to retailer schemes would reflect loss of eligibility for government scheme (e.g. moving house) or cessation of the government scheme rather than retailer schemes being more attractive.

ActewAGL Retail – does not support this change as its view is the Retail Law and Rules do not specifically set out requirements for solar customers, and therefore this requirement sits outside of the scope of this reporting framework. ActewAGL already provides jurisdictional reporting regarding solar and feed-in tariff customers across ACT and NSW to regulatory and government agencies. ActewAGL also notes there is no accompanying definition of 'Government funded feed-in tariff'.

Schedule 3: Retail market activities report

Customer Service

S3.8 Complaints-meter contestability – meter installation (Quarterly)	
Submissions	**AER Response**
Powershop – would be happy to provide this information on a short-term basis, but that including this as a long-term requirement is not necessary and will provide little to no benefit. If adopted, Powershop suggests that 3.8 to 3.12 be reported as a general 'Metering' category. **EWON** - EWON supports this addition and seeks clarification regarding whether the reporting is required for complaints about meters that haven't been installed. Adding 'delayed installation' to the indicator may help to capture more detail about these complaints and will differentiate them from other Type 4 or 4A meter installation complaints. **ERM Business Energy** – recommends a single category to capture meter contestability complaints rather than numerous sub categories. They are concerned about duplication of complaints in billing and meter data. **AGL** – is seeking greater clarity on the purpose of splitting smart meter complaints data into distinct categories. Retailer systems were built around Power of Choice requirements and this type of expansion is costly for retailers.	The AER has introduced this indicator in order to understand how customers interact with the rollout of smart meters through the Power of Choice, and any issues arising during the rollout. As smart meters saturate the national market, the AER may then consider if it will continue to need to separate smart meter complaints from other types of complaints. It appears that some retailers need to implement internal system and process changes in order to capture this data. By extending the implementation date, retailers will have time to make the necessary changes. Definitions will be included in the Guidelines to assist retailers understand what data needs to be collected in order to appropriately report on this indicator. **The AER will include this indicator in the final version of the Guidelines (see indicator 3.8 V3.)** During the consultation process, new Rules were introduced to provide timeframes around the installation of smart meters. The AER has responded to this with the introduction of a new indicator.

Submissions	AER Response
Ergon Energy Queensland - seeks clarification on this new requirement. EEQ seeks a clear definition of the meter installation process to assist retailers in reporting on this requirement. **EEQ** notes that system changes will be required to create new sub classes and it is difficult to quantify the likely costs. However, EEQ estimates that the required system changes would be costly and take at least six months to design, approve, implement and test (depending on changes required). **Red Energy/ Lumo Energy** – does not support the separation of complaints about the installation of Type 4 and 4A meters according to five different categories as it is overly complicated. Notes that retailers will be required to exercise judgement about what is a complaint, how to allocate complaints, and there is potential for overlap and duplication. The AER could consider alternative ways to gain this information such as surveys and research, ombudsman complaints or reported privacy breaches.	**The AER will introduce a new indicator to capture information about smart meter installation delays (see indicator 3.9 V3.)**

S3.9 Complaints-meter contestability – de-energisation (Quarterly)

Submissions	AER Response
Powershop – see section 3.8 **EWON** - EWON supports this addition and seeks clarification regarding whether the reporting is required for complaints about meters that haven't been installed. Adding 'delayed installation' to the	The AER has introduced this indicator in order to understand how customers interact with the rollout of smart meters through the Power of Choice, and any issues arising during the rollout. As smart meters saturate the national market, the AER may then

indicator may help to capture more detail about these complaints and will differentiate them from other Type 4 or 4A meter installation complaints.

AGL – is seeking greater clarity on the purpose of splitting smart meter complaints data into distinct categories. Retailer systems were built around Power of Choice requirements and this type of expansion is costly for retailers.

Ergon Energy Queensland - seeks clarification that the intent of this new requirement is to capture the incidence of customer complaints related to the de-energisation of a premises for the installation of a new type 4 or 4A meter by retailers, rather than de-energisation of the Type 4/4A meter. EEQ will need to create system changes which would be costly.

ActewAGL Retail – would like to know why the reporting of metering complaints is being treated differently to the reporting of other retailer complaints.

Also states that as gas would need to be separated from electricity (given gas is not a part of Power of Choice), a separate monitoring system would be needed.

ActewAGL would also like examples of when, as part of the installation of smart meters, a retailer would be disconnecting the smart meter (i.e. the smart meter has not yet been installed?). This indicator could be worded more clearly.

consider if it will continue to need to separate smart meter complaints from other types of complaints.

It appears that some retailers need to implement internal system and process changes in order to capture this data. By extending the implementation date, retailers will have time to make the necessary changes.

Definitions will be included in the Guidelines to assist retailers understand what data needs to be collected in order to appropriately report on this indicator.

The AER will include this indicator in the final version of the Guidelines (see indicator 3.10 V3.)

S3.10 Complaints-meter contestability – meter data (Quarterly)

Submissions	AER Response
Powershop – see section 3.8 **AGL –** is seeking greater clarity on the purpose of splitting smart meter complaints data into distinct categories. Retailer systems were built around Power of Choice requirements and this type of expansion is costly for retailers. **Ergon Energy Queensland** - Compliance with this requirement will require material system changes. See response to S3.8 **ActewAGL Retail –** would like clarification regarding why the reporting of metering complaints is being treated differently to the reporting of other retailer complaints. The splitting out of the different possible meter complaint types increases the complexity of reporting.	The AER has introduced this indicator in order to understand how customers interact with the rollout of smart meters through the Power of Choice, and any issues arising during the rollout. As smart meters saturate the national market, the AER may then consider if it will continue to need to separate smart meter complaints from other types of complaints. It appears that some retailers need to implement internal system and process changes in order to capture this data. By extending the implementation date, retailers will have time to make the necessary changes. Definitions will be included in the Guidelines to assist retailers understand what data needs to be collected in order to appropriately report on this indicator. **The AER will include this indicator in the final version of the Guidelines (see indicator 3.11 V3.)**

S3.11 Complaints-meter contestability – privacy (Quarterly)

Submissions	AER Response
Powershop – see section 3.8 **AGL –** is seeking greater clarity on the purpose of splitting smart	The AER has introduced this indicator in order to understand how customers interact with the rollout of smart meters through the Power

meter complaints data into distinct categories. Retailer systems were built around Power of Choice requirements and this type of expansion is costly for retailers. It is unclear the purpose of AER collecting this data and how this function will overlap with the Office of the Australian Information Commissioner (OAIC) **Ergon Energy Queensland** - Compliance with this requirement will require material system changes. See response to S3.8 **ActewAGL Retail** – would like clarification regarding why the reporting of metering complaints is being treated differently to the reporting of other retailer complaints. Retailers already report on the number of privacy complaints received. Should a retailer report a significant increase in privacy complaints, that retailer could be the subject of a further request for information from the AER. **CHOICE** – supports this change. Smart meter data will drive better outcomes for electricity consumers if they have easy access to their data.	of Choice, and any issues arising during the rollout. This indicator is intended to collect data about perceived or actual privacy concerns that arise from having a smart meter, or related to smart meter data. The AER does not investigate privacy breaches and will not perform the same functions as the OAIC. As smart meters saturate the national market, the AER may then consider if it will continue to need to separate smart meter complaints from other types of complaints. It appears that some retailers need to implement internal system and process changes in order to capture this data. By extending the implementation date, retailers will have time to make the necessary changes. Definitions will be included in the Guidelines to assist retailers understand what data needs to be collected in order to appropriately report on this indicator. **The AER will include this indicator in the final version of the Guidelines (see indicator 3.12 V3.)**

S3.12 Complaints-meter contestability – cost (Quarterly)	
Submissions	**AER Response**
Powershop – see response to 3.8. **EWON** - EWON supports this addition. It is still unclear what fees will	The AER has introduced this indicator in order to understand how customers interact with the rollout of smart meters through the Power

be charged by retailers and in what circumstances and how fees and charges for smart meter installation or meter reading will be communicated to customers. This will be critical, especially for customers in remote areas with type 4A meters who may face high charges for manual reads as a consequence of meter upgrade. **AGL –** is seeking greater clarity on the purpose of splitting smart meter complaints data into distinct categories. Retailer systems were built around Power of Choice requirements and this type of expansion is costly for retailers. **Ergon Energy Queensland** - Compliance with this requirement will require material system changes. See response to S3.8.	of Choice, and any issues arising during the rollout. As smart meters saturate the national market, the AER may then consider if it will continue to need to separate smart meter complaints from other types of complaints. It appears that some retailers need to implement internal system and process changes in order to capture this data. By extending the implementation date, retailers will have time to make the necessary changes. Definitions will be included in the Guidelines to assist retailers understand what data needs to be collected in order to appropriately report on this indicator. **The AER will include this indicator in the final version of the Guidelines (see indicator 3.13 V3.)**

Payment Difficulties

S3.15 Nature of repayment agreements – fortnightly amounts (Quarterly)	
Submissions	**AER Response**
Powershop – questions the use of this data to the AER. A repayment amount by itself is not informative, and the way in which the ESC captures this data provides more of a story as it highlights whether the arrangement is covering usage and the duration of the arrangement. Powershop suggests the AER and ESC align on this matter. **EWON** - EWON supports this change and states that this will provide	The AER notes that its Sustainable Payment Plan Framework can apply to both residential and small business customers. On this basis, the AER seeks to collect information about the types of payment plan arrangements these customers enter into. The metrics are calculated to indicate customers that may be covering supply charges and minimal consumption as the lowest sub-category,

greater detail of actual and/ or perceived affordability issues facing energy customers.

ERM Business Energy – recommends that this requirement is removed for small business customers as hardship requirements and payment plans are not regulated for business customers.

Ergon Energy Queensland – states that customer repayment of debt is varied and not necessarily paid per fortnight. EEQ seeks clarification on the following issues:

- if only fortnightly payment arrangements are to be included OR if retailers are expected to "convert" payment arrangements to a fortnightly figure. If such a conversion is required, clear guidance is required on this calculation and what should be included.

- the term "repayment agreement" is not defined in the Guidelines. However, "repayment plan" is a defined term in Guidelines as an arrangement where customer is repaying debt in 3 or more instalments.

EEQ notes that there is high risk of variance under this revised metric.

and then in increasing bands. This information will be used to obtain a better understanding of affordability issues in the retail market.

The AER acknowledges that some retailers operate within the Victorian market and would prefer indicators to be aligned with those used by the ESC. Consideration has been given to this where possible.

The AER appreciates that retailers may offer flexible and unique payment arrangements to customers. This indicator may require that retailers calculate fortnightly payments for customers that prefer to pay weekly or monthly. This will aid consistent reporting across the industry.

The AER will include this indicator in the final version of the Guidelines (see indicator 3.16 V3.)

S3.18 Number of residential customers that have aged debt (Quarterly)

Submissions	AER Response
Powershop – does not support this change as it would cost thousands of dollar per customer and there would be minimal Powershop customers as Powershop only ages debt to 180+ days.	The AER acknowledges that it had incorrectly included the word 'average' in the proposed indicator where it had intended to use the words 'energy bill debt'.

EWON - supports this as it may encourage retailers to focus on more proactive management of customers with aged debt. Currently the information reported on is average debt, which does not allow any further breakdown to show the numbers of customers experiencing particular levels of debt.

EWON suggests that the AER consider using the debt categories proposed for indicator S4.4, regarding debt levels when entering a hardship program. This indicator includes a level of $3500 or more.

Ergon Energy Queensland - seeks the following:

Explanation of an “average” debt and how is it calculated

Is the AER’s intention to capture information on customers whose total energy bill debt balance exceeds the dollar thresholds for each time bracket? EEQ notes that a customer could have aged debt in multiple bandings. Would customers be reported multiple times or is there some other way to calculated and report this?

Origin Energy – Preparing data for this indicator will require complex and intensive data analytics. Given the complexity, it would be useful to discuss with the AER what it is seeking and see how this fits in with the current system and data extraction capability.

ActewAGL Retail - would like clarification regarding the definition of “aged debt”. Is it the same as ‘energy bill debt’?

The existing Guidelines describe energy debt as debt outstanding to a retailer after 90 days or more. This indicator has been reworded to assist with clarity and consistency. It requests data to confirm the total age of the energy bill debt to understand the debt burden that customers carry.

As it is our aim to ensure consistency across the indicators, we have also tried to minimise the number of sub-categories where possible.

The AER has updated the wording of this indicator for the final version of the Guidelines (see indicator 3.19 V3.)

S3.20 Amount of residential customers that have missed one or more pay on time (or conditional) discount (Quarterly)	
Submissions	**AER Response**
Powershop – supports this change. **EWON** - supports this as it will place a focus on whether retailers are offering manageable contracts to customers who fit their payment profiles. **AGL –** Further clarification required due to difficulties in retailers extracting information on various pay-on-time discounts, honoured by retailer practices and storage of data. AGL wants further consultation around whether an alternative measure could provide the appropriate insights AER is hoping to find, due to substantial system implications. **Origin Energy –** is seeking clarification if this means only pay on time discounts missed (per the information and data required criteria), or whether inclusion of the words ‘or conditional’ in the indicator description is meant to further define the term ‘pay on time’ discounts to also incorporate other forms of conditional discount. **ActewAGL Retail –** does not support this change as it would have to manually report this as it is unable to automate this process. **CHOICE –** supports this change due to the risk of “pay late penalties” adversely impacting hardship customers who are financially unable to pay on time. Choice would like to know the number of residential customers that have a pay on time (or conditional) discount option applied to a bill and the average cost that consumers incur when they miss pay on time (or conditional) discounts.	The AER acknowledges that retailers have very different system capabilities and it may be more complicated for some to implement automated reports to capture this data. Some retailers allow for soft due dates to be applied to take into account delays with banking at either end of the transaction process. The intention of this indicator is to capture those customers that have missed an automated discount being applied to their account. A retailer may choose to apply a discretionary pay on time or conditional discount via a manual process, but these customers would not be included in this data set. Given the increasing interest in the types of contracts offered to customers, including pay on time and conditional discounts, there is a significant need to understand how customers may be impacted by taking up one of these offers only to miss out on the benefit where payment is not made on time. Further work is currently being undertaken by a range of stakeholders, such as the AEMC and the ACCC, to investigate the impact to customers discounting (including pay on time discounts) may have. The data collected by the AER will inform the analysis on this matter. **The AER will include this indicator in the final version of the Guidelines (see indicator 3.21 V3.)**

S3.25 Number of residential customers who have been referred to an external credit collection agency for the purposes of debt recovery – account status (Quarterly)	
Submissions	**AER Response**
Powershop – supports this inclusion. **EWON** - supports this change as it will provide insight into retailer compliance with the Sustainable Payment Plans Framework, which includes the management of residential customers with inactive accounts. **Ergon Energy Queensland** – seeks clarification on: EEQ only refers an unpaid “final bill” to a collection agency, at which time the customer’s account is closed and is no longer an EEQ ‘customer’ (per Retail Law definition). As such, EEQ would not report on (a) or (b), only (c) If customer holds an active account unrelated to the debt referred to the agency (i.e. has relocated and opened a new account but not cleared old account) should these be reported? **ActewAGL** – Could report on these metrics but has some reliance on third parties that may need manual auditing to ensure accuracy. ActewAGL would appreciate additional advice regarding the value of this indicator given referral to a credit collection agency is only ever done as a last resort. By the time a customer is referred, they may no longer be a customer of the referring retailer.	The AER seeks to understand the full impact of hardship issues impacting customers. As credit collection activity and a credit default listing may be the final step in the debt management process, it is important to understand how many customers are referred to credit agencies as a result of unpaid energy debt. Stakeholders are interested in gaining additional data and insights into what happens to customers that are unable to pay their bills and this data will begin to explore this issue. The AER has taken into consideration the number of different processes retailers related to credit collection activity. As a result of this the AER has decided to remove the sub-categories of this indicator and collect only high level numbers of customers referred to credit agencies for both gas and electricity. Additional consultation occurred with several retailers to discuss the reasons for including indicators related to debt collection. The indicator has been defined as now including current or previous residential customers. The previous draft version of the Guidelines referred only to current customers, and this change to include previous customers has been made to ensure customers whose accounts have been closed by the retailer ahead of credit collection activity are also captured by this indicator.

	The AER has removed the sub-categories and updated the wording of this indicator for the final version of the Guidelines (see indicator 3.26 V3.)

S3.26 Number of residential customers who have been referred to an external credit collection agency for the purposes of debt recovery – amount of debt (Quarterly)

Submissions	AER Response
Powershop – supports this inclusion. **EWON** - supports this for the reasons noted previously. **AGL –** The distinction of customers (as those who are current customers and those who are no longer with a retailer) needs to be clearer. Retailers refer customer debt to collection agencies in different ways and at different times.	The AER has reviewed and updated the wording of this indicator. This should provide further clarity to retailers regarding the data that is required to be collected for this indicator. The indicator has been defined as including current or previous residential customers.
Ergon Energy Queensland - does not support this new requirement as proposed. **EEQ** is concerned that this indicator in its current form will not deliver the desired reporting to the AER. EEQ seeks clarification from the AER on the following: - The terms 'debt' and 'energy bill debt' used in the "Indicator", "Information and data required" and "Description of change" fields are not consistent. (Energy bill debt is a defined term in the Guidelines) - The point at which debt is measured – the debt at referral date or the customer's outstanding debt at end of the current reporting period?	**The AER has updated the wording of this indicator for the final version of the Guidelines (see indicator 3.27 V3.)**

S3.27 Number of residential customers who have been referred to an external credit collection agency for the purposes of debt recovery – credit rating (Quarterly)	
Submissions	**AER Response**
Powershop – supports this inclusion. **EWON** - supports this, but believes that the wording needs to be amended if the purpose is to keep track of the total number of customers who are credit default listed as some retailers credit default the list themselves and not via an external agency. Also once a customer is referred the retailer may not be able to report on whether a credit default listing was applied as they may not be aware of what happens to the sold debt. EWON comments that a failure in customers receiving notifications of unpaid balances on their accounts is a common underlying cause of the complaints received about credit default listings. These debts tend to be based on usage for one quarter, or less if the customer moved out mid billing cycle. EWON's position has been that a customer should not be credit listed for a debt under $300, which is equal to the amount that the AER sets as the minimum threshold below which a customer cannot be disconnected. In circumstances where the debt is paid as soon as the customer becomes aware of it and the credit listing is updated as paid, customers are still often denied credit by financial institutions, despite the fact that failure to pay initially was not their fault. Reporting on the amounts that customers are credit listed for could help to:	The AER has reviewed and updated the wording of this indicator. This should provide further clarity to retailers regarding the data that is required to be collected for this indicator. The indicator requests information about any customer (referred via an internal or external credit collection process) whose credit rating has been impacted by a credit default. The indicator has been defined as including current or previous residential customers. It is acknowledged that some retailers may need to seek information from third parties (where debt has been sold) to obtain data about the listing of a credit default against a customer. **The AER has updated the wording of this indicator for the final version of the Guidelines (see indicator 3.28 V3.)**

- guide regulation on fair and reasonable minimum amounts for credit default listing;

- provide further insight into the practices of retailers and their management of these customers and their debts; and

- provide industry wide insight into the practices of credit listing and its impact on customers.

Ergon Energy Queensland - seeks clarification regarding the treatment for accounts with multiple defaults (for different debts), whether they are to be reported multiple times or only once.

Red Energy/Lumo Energy – do not support this change as retailers would require a third party to provide information about customers' credit ratings (S3.27) and it is not appropriate to impose such an obligation on retailers where they have little or no control over this decision or the timeframe within which they can obtain it.

Disconnection

S3.35 Number of customers disconnected for non-payment (Quarterly)	
Submissions	**AER Response**
Powershop – supports this inclusion. **Ergon Energy Queensland** - supports this change. **CHOICE** – recommends that the AER amends indicator S3.35 to include:	This is an original indicator in the Guidelines. The AER will no longer request monthly data, only quarterly data. It was specified in the sub-category that disconnection is disconnection for non-payment.

‘(g) Residential customers who have Type 4 or 4A smart meters’	**The AER will include this indicator in the final version of the Guidelines (see indicator 3.36 V3.)**

S3.36 Number of customers reconnected within 7 days of disconnection (Quarterly)	
Submissions	**AER Response**
Powershop – supports this inclusion. **Ergon Energy Queensland –** supports this change but seeks clarification on whether the indicator is measuring the number of customers reconnected during the reporting period within 7 days of disconnection or customers disconnected during the reporting period who are reconnected within 7 days.	This is an original indicator in the Guidelines. The AER will no longer request monthly data, only quarterly data. An additional sub-category (‘residential customers who have been disconnect for non-payment on more than one occasion in the previous 24 months’) was added to be consistent with the previous indicator. **The AER will include this indicator in the final version of the Guidelines (see indicator 3.37 V3.)**

S3.38 Total number of customers with debts at time of disconnection (Quarterly)	
Submissions	**AER Response**
Powershop – supports this inclusion. **EWON –** supports this as this data can provide greater insight into the amount of debt that customers carry when they are disconnected. Whilst it doesn’t require reporting on the actual amount a customer is disconnected for, which can be less than the total amount of the debt, it can provide information about the level of total debt prior to	The AER has specified in the indicator that disconnections for non-payment are to be reported in this indicator. **The AER has updated the wording of this indicator for the final version of the Guidelines (see indicator 3.39 V3.)**

disconnection.

EWON also noted that it has previously recommended that the minimum amount of debt before disconnection be raised above the current threshold of $300 due to higher energy prices resulting in more quarterly bills being larger than $300. Retailers reporting on this indicator may help to guide the next review by the AER of the minimum disconnection amount.

Ergon Energy Queensland – seeks clarification from the AER on the following issues:

Is the AER's intent to capture all disconnections or just those disconnections related to non-payment of an energy bill debt? If the former, EEQ suggests minor redrafting of the indicator for clarity.

If a customer is disconnected multiple times in a period should it be counted once or multiple times? If the former, the AER will need to define the calculation to work out the debt amount to be used.

For example: In each participating jurisdiction, the total number of electricity and gas customers disconnected for non-payment with debts in the following ranges for each of the following customer categories for the reporting period

ActewAGL Retail - would like clarification regarding whether this indicator relates only to customers disconnected for non-payment.

Schedule 4: Hardship Program Indicators

S4.1 Number of customers on a retailer's hardship program (Quarterly)	
Submissions	**AER Response**
Powershop – supports this inclusion. **Ergon Energy Queensland** - supports this change	This is an original indicator in the Guidelines. The AER will no longer request monthly data, only quarterly data. **The AER will include this indicator in the final version of the Guidelines (see indicator 4.1 V3.)**

S4.2 Type of contract for hardship program customers (Quarterly)	
Submissions	**AER Response**
Powershop – supports this inclusion. **EWON** - supports this as it will provide insight into the number of hardship customers that are able to access the competitive market place, and into whether retailers are being proactive in offering appropriate market contracts for this category of customers. **Ergon Energy Queensland** - no comment on this change.	There were no queries regarding the content of this indicator. **The AER will include this indicator in the final version of the Guidelines (see indicator 4.2 V3.)**

S4.4 Levels of debt of customers entering the hardship program (Quarterly)	
Submissions	**AER Response**
Powershop – supports this inclusion. **Ergon Energy Queensland –** recognises that this is a minor change	This is an original indicator in the Guidelines. An additional sub-category was added to be report debts more than $3,500.

to an existing requirement, but would like this indicator to be redrafted for greater clarity.	**The AER has updated the wording of this indicator in the final version of the Guidelines (see indicator 4.4 V3.)**

S4.5 Average debt of hardship program customers (Quarterly)	
Submissions	**AER Response**
Powershop – supports this inclusion. **Ergon Energy Queensland –** notes that accounts in credit will already be excluded as they will not have an "energy bill debt". EEQ also notes that there are many hardship accounts that have a small energy bill debt and there should be a threshold introduced for this to eliminate distortion on the average.	This is an original indicator in the Guidelines. It was amended to exclude customers that have account balances in credit. The AER has considered whether a minimum threshold for debt should be introduced into this indicator - no threshold will be introduced. Retailers should be pro-actively managing customers to ensure they receive appropriate access to hardship assistance and payment plans, and moved to normal collection cycles where appropriate. **The AER will include this indicator in the final version of the Guidelines (see indicator 4.5 V3.)**

S4.6 Age of debt for customers on the hardship program (Quarterly)	
Submissions	**AER Response**
Powershop – does not support this change as it would cost thousands of dollar per customer and there would be minimal Powershop customers as Powershop only ages debt to 180+ days. **EWON –** supports this as it will provide a focus on aged debt and promote increased proactive managing of customers with increasing arrears.	The AER considers it essential to understand how many customers are requiring long term assistance through hardship programs. The wording has been updated to specify 'energy bill debt' in line with the definitions set out in the Guidelines. Additional time for implementation has been provided to retailers so

Submissions	AER Response
Ergon Energy Queensland – No comment on this change. **ActewAGL Retail** – would like clarification regarding whether debt referred to is 'energy bill debt' or has another definition.	that appropriate system changes can be made to report on this indicator. **The AER has updated the wording of this indicator in the final version of the Guidelines (see indicator 4.6 V3.)**

S4.8 Number of hardship program customers on types of payment plans (Quarterly)	
Submissions	**AER Response**
Powershop – this inclusion will require development work, but is achievable. **EWON –** supports this addition, given it may provide a useful insight into whether retailers are adhering to the Sustainable Payment Plans Framework. Complaints to EWON since the introduction of the SPPF have indicated that a number of retailers are not adhering to the Framework despite being signatories to it. **Ergon Energy Queensland –** notes that hardship customer management is less structured than for other customer groups and often features short term/unusual payment arrangements, and that customers may receive a 'grace' period upon entry to a hardship program where no payments are required and this may have to be factored into a calculation method. EEQ seeks clarification from the AER on this new requirement: "ongoing costs" seems to be the same as "consumption/bills" – could the same term be used for consistency?	The AER acknowledges that some retailers operate within the Victorian market and would prefer indicators to be aligned with those used by the ESC. Consideration has been given to aligning this indicator with aspects of data collected by the ESC. The AER appreciates that retailers may offer flexible and unique payment arrangements to customers. It is understood that retailers commonly calculate expected usage for a year based on past bills in order to determine an appropriate payment plan. This indicator may require that retailers calculate expected usage for customers. Additional time for implementation will allow retailers to enable their systems to be able to collect data for this indicator. **The AER has updated the wording of this indicator in the final version of the Guidelines (see indicator 4.8 V3.)**

The definition and method for calculating “ongoing costs” and/or “consumption”? (options could include: latest bill (annualised), last 12 months billing. Furthermore, EEQ also seeks the AER’s clarification on how to calculate if account less than 12 months old?

If hardship customers do not have a payment plan are they excluded from this metric?

Should a retailer ‘assume’ a short term arrangement (say 1 month) would continue and the payment plan amount be used to determine if meeting consumption or repaying over 12 months etc.?

Is the term ‘payment plan’ as per the Guideline definition?

ActewAGL Retail – is not currently able to report on this proposed metric due to individually tailored debt plans. ActewAGL also considers it unreasonable to predict “expected” outcomes for hardship customers.

S4.9 Payment methods of hardship program customers (Quarterly)	
Submissions	**AER Response**
Powershop – supports this inclusion. **Ergon Energy Queensland** – suggests that the requirement be redrafted for clarity. EEQ recommends substituting ‘each’ with ‘any’ as ‘each’ could be interpreted as only reporting customers who used all of these methods during the period. EEQ notes that some customers may use multiple payment methods	This is an original indicator in the Guidelines. It was amended to include two additional payment methods. The original indicator has been updated from Annual to Quarterly to align it with other indicators. The AER has considered the feedback provided by retailers and has updated the wording of this indicator to include ’any’ and does request

within the reporting period and potentially will be double-counted. EEQ seeks guidance from AER if this is correct way to report OR if an alternative hierarchy process should be applied to allocate payment types.	that customers are counted in each relevant category to ensure consistence in reporting. **The AER has updated the wording of this indicator in the final version of the Guidelines (see indicator 4.6 V3.)**

S4.10 Number of customers entering and exiting the hardship program (Quarterly)	
Submissions	**AER Response**
Powershop – requires further clarification on the requirements for this section. Does the AER want to capture external referrals from organisations such as financial counsellors? **EWON** – supports this change, however consideration should be given to the inclusion of a category for customers referred via community organisations or an energy ombudsman scheme. This will provide further insight into whether customers are self-identifying as being in hardship, or whether referrals are being facilitated by external parties. **Ergon Energy Queensland** – This revised indicator contains new information that EEQ does not currently record. EEQ seeks guidance from AER with respect to: The definition of a "retailer referral"? How customers who enter a hardship program via external assistance agencies (i.e. counselling service) are to be classified? (i.e. would	This indicator was designed to include numbers and reasons for customers entering a hardship program. It will provide a holistic view of those entering and exiting the programs. Based on feedback from the submission and consultation process an additional sub-category has been added to capture referrals from financial counsellors and other agents acting on behalf of a customer in a professional capacity. The AER acknowledges that there may be a degree of subjectivity in capturing this data. However, it will be likely that if, for example, a financial counsellor calls on behalf of a customer to discuss entering into a payment plan and obtaining longer term assistance, than this would be classified as a referral from a financial counsellor. The additional time provided for implementation will enable retailers to review their processes and systems to ensure that this data is recorded accurately and consistently.

these customers be considered self-identified?)

ActewAGL Retail – would like clarification regarding what "retailer referral" means. For example, does it mean all internal referrals? This could be very difficult to track in operational terms given the wide variety of referral options.

Simply Energy – states that there are issues with determining self-identification vs retailer identified. Also, different retailers may have a different threshold or interpretation of what constitutes this, and agents within the same retailer may interpret and record this indicator differently. Therefore ensuring that there is consistent recording across retailers is a problem. A customer may also present their case differently to the retailer, claiming that the bill is too high when the main issue is one of affordability and determining this for a retailer is difficult to do.

The indicator was reviewed and separated into two separate indicators: one to represent customers entering the hardship program (indicator 4.10 V3), and another to represent customers exiting the hardship program (indicator 4.11 V3).

The AER has updated the wording of this indicator in the final version of the Guidelines (see indicator 4.10 V3.)

Through the consultation process, original indicators 4.8 (Number of customers exiting the hardship program) and 4.9 (Reasons for customers exiting the hardship program) were reviewed. These have been updated and combined into one indicator (see indicator 4.11 V3.)

The AER has created a combined indicator in the final version of the Guidelines (see indicator 4.11 V3.)

S4.11 Length of customer participation in a hardship program (Quarterly)	
Submissions	**AER Response**
Powershop – supports this inclusion. **Ergon Energy Queensland –** No comment on this change. **ActewAGL Retail –** considers that this requirement would require a transition period given it does not currently have this historical data in a reportable form.	The additional time provided for implementation will enable retailers to review their processes and systems to ensure that this data is recorded accurately and consistently. **The AER will include this indicator in the final version of the Guidelines (see indicator 4.12 V3.)**

S4.12 Number of customers denied access to the hardship program (Quarterly)	
Submissions	**AER Response**
Powershop – supports this inclusion. **EWON –** supports this change as it will again provide a useful insight into whether retailers are complying with the Sustainable Payment Plans Framework. It will also provide insight into the challenges that can be faced by retailers in getting customers to engage with them. **AGL** - This amendment needs to be clarified as it is unclear: The scenario/purpose of (b) the retailer was unable to contact the customer. In AGL's view, if a retailer is contacting a customer to offer hardship and the customer does not either answer the call or reply to communication for contact, this does not mean the customer has been denied access.	The original indicator (4.3 Number of customers denied access to the hardship program) did not include reasons. This has been expanded in this amended indicator. Wording has been reviewed after consultation with retailers and the 'denied' has changed to 'excluded' in order to capture a broad range of reasons why a customer may not be on a hardship program. The AER recognises that this list may not be exhaustive, the minimal sub-categories are designed to be high level and capture the main reasons someone may not be on a hardship program. This indicator excludes customers that decline to participate in the hardship program.

Scenarios intended in (c) the customer did not make the requested payments. AGL may request customers who have previously been removed from the hardship program to agree to, and keep, a 4-payment plan arrangement to demonstrate an intention and willingness to participate in the program. This is considered a condition of re-entry only and is not used to deny any customer who has not previously participated in the program.

Greater clarity on the intended distinction between (a) the customer did not agree to the suggested payment plan and (d) it was more appropriate to return the customer to a normal payment plan or billing cycle.

Ergon Energy Queensland –does not deny customers access to the hardship program. EEQ seeks clarification from the AER regarding if this indicator is to also capture customers already in hardship who are removed from the program for non-compliance.

Red Energy/Lumo Energy – have issues with this indicator as it will be difficult, costly and time consuming to implement, and the measuring of the different categories as a customer may be seeking access to the hardship program for numerous factors, and some judgement about how best to manage a customer's specific circumstances. They would like AER to reconsider the number of categories and sub-categories and also consult better with retailers.

Origin Energy- would like clarification regarding how items (c) and (d) relate to denial of entry into a hardship program, as these items fit more clearly into indicator 4.13 which deals with the reason for customers exiting a hardship program (where they already currently appear). In relation to item (b), clarification in how access to a

The AER has updated the wording of this indicator in the final version of the Guidelines (see indicator 4.13 V3.)

retailer’s hardship program can be denied if the customer cannot be contacted.

Simply Energy –states there are a multitude of reasons for refusal and they can be difficult to categorise in the provided, limited reasons. There are also issues for determining what circumstances do and do not constitute a denied access to the hardship program.

S4.14 Assistance provided to hardship program customers (Quarterly)	
Submissions	**AER Response**
Powershop – supports the intention of this requirement but requires further clarification as to what constitutes assistance. Regarding requirement (d), how would Powershop approach this requirement for QLD customers given retailers cannot back-date concession rebates? **EWON** – EWON very strongly supports this change and also suggest that this information be published. EWON has also previously recommended that there be a rating system for each of the retailers’ hardship policies to benefit consumers. **Ergon Energy Queensland** – notes that the amendments to this indicator are significant and will have a major impact on EEQ as this information is not currently recorded and will likely require a manual process to report this data. EEQ also seeks clarification on: Reporting requirements for customers who fall into multiple categories – are they to be counted multiple times? Does ‘assistance provided’ mean assistance measures that are taken	The original indicator (4.12) did not include sub-categories of types of assistance. The AER did ask retailers to submit on an annual basis, a written summary on the types of assistance offered to customers. It also asked for retailers to provide quantitative data on the various types of initiatives and assistance provided to hardship program customers. This indicator has been expanded to include common and expected types of assistance offered in hardship programs across the jurisdictions. The data is requested on a quarterly basis. The AER acknowledges that some types of assistance may not be offered in some jurisdictions and anticipates a nil response to the reporting for that sub-category if it is not applicable. The additional time provided for implementation will enable retailers to review their processes and systems to ensure that this data is recorded accurately and consistently.

up by the customer or just the types of assistance offered by the retailer to the customer?

ActewAGL Retail – A number of the identified indicators are unable to be automated without significant system changes. Accordingly, processes for compiling the information would need to be manual. This is costly in terms of resourcing, and carries an increased risk of human error.

The AER will include this indicator in the final version of the Guidelines (see indicator 4.14 V3.)

Simply Energy – has issues with:

How is a retailer to count when the offer is made and the uptake of the offer over the time of the transaction?

Because of the periodic nature of the reporting and its quantitative nature, this type of indicator is much more suited to targeted review where a customer can be taken on their individual merits and time to report is not a factor.

Not all forms of assistance can be offered to all customers therefore simply being on an offer does not denote the customer's ability to accept the offer. For example, not all customers experiencing difficulties are entitled to concessions and/or payment via CentrePay as this requires access to Centrelink benefits.

Reporting this indicator will require significant manual reporting and therefore be time consuming and subject to human error.