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**Submission on AER Retail Market Performance Reporting**

United Energy Distribution and Multinet (the businesses) appreciate the opportunity to provide comments on the AER Issues Paper, Retail Market Performance Reporting.

The businesses appreciate the AER recognition that they will need to work closely with jurisdictional bodies to minimise unnecessary duplication of service standard reporting requirements. The businesses comments are limited to the performance of distributors in relation to small compensation claims regime.

**Q56 Are there other generic indicators that can be used to measure distributor's performance in relation to small compensation claims regimes? How might they be interpreted?**

The Issues Paper considers that distributor's performance could be measured against two generic indicators:

- The extent to which customers are aware of and able to access the small claims regime; and
- The extent to which customers accessing the regime receive an appropriate amount of compensation for claims.

The Issues Paper suggests that a starting point for the assessment may be:

- The number of compensation claims made within a reporting period in relation to particular incidents or categories of incident; and
- The amount of compensation paid by distributors within a reporting period in relation to particular incidents or categories of incident.

The businesses make the following comments in relation to the possible starting point:

- The first bullet point should refer to the number of claims registered by the distributor in the reporting period as opposed to those 'made';
- Our legacy systems, new smart metering systems and claims database do not make reference or identify the small and large customer NECF categories, in order to report against any indicators in relation to small customer claims regime under NECF;

- The identification of the incident and category of incident will need to clearly link the cause to the category in order to address any systemic issues; and
- If the introduction of new categories is agreed it will require IT system changes at our end where they are different from those currently captured and recorded.

It appears the Issues Paper is proposing additional qualitative assessment criteria in addition to the measureable performance reporting outlined above:

- Steps taken by the distributor to make customers aware of the small customer compensation claims regime; and
- The number of complaints received by the distributor in relation to its administration of the small compensation claims regime.

The NECF requires claim forms and claim processes to be available on the distributors website. The businesses are concerned by what other steps may be required in order to make customers aware of the regime. It is likely that our next customer charter will already be issued as part of the required price determination process. We are unlikely to be funded for a second or updated charter to customers to explain any changes to the claims processes under NECF. We query what is intended by this qualitative measure beyond the NECF requirements.

The number of complaints relating to the administration of a small compensation claims regime should exclude complaints relating to the progress/time to resolve a claim as we could be waiting on receipts and information from assessors etc. It should also exclude major network events such as storm or heatwave where claims volumes may be high, we are not funded to deal with peak workloads such as these major events and assessors often are unable to keep up with the workloads.

The businesses query the value of generic indicators that may be unmeasurable or have little value in assessing performance and systemic issues. It may be useful to establish the regime nationally before adding more complexity with other generic indicators.

**Q57 Is quarterly reporting of the proposed indicators appropriate, or would less frequent reporting (eg six monthly, annual) be preferable.**

The businesses prefer annual reporting. Quarterly reporting is too frequent and may provide little of value in relation to the volume of gas claims. In addition it takes time to collate the data and issue reports and the AER summary reports. It is unlikely that this data would have utility on a quarterly basis. Similar statistics are currently published annually in the comparative report. To date no issues have arisen that would warrant why there should be increased frequency and the AER has not indicated that it would make this data available more frequently. Until such time as the AER can demonstrate any current short-fall or any requirement to publish more frequently UED believes that the current arrangements have operated well. Any benefits of additional reporting should be weighed against the cost of this additional regulatory burden.

Consistent with our comments above, the new compensation claims regime may take some time to implement the necessary system changes to accommodate the claims categories and small customer category. This will need to be factored into the timing of the commencement of the first reporting period.

Should you have any questions in relation to the above, please do not hesitate to call (03) 8540 7819.

Yours sincerely

Verity Watson  
**Manager Regulatory Strategy**