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ENERGY RETAIL PERFORMANCE INDICATORS

2012-13

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Energy Retail Performance Indicators – 2012-13



1 INTRODUCTION

1.1 Purpose

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

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

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

1.2 Background

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

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

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

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

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

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



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

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

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

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

1.3 Information Categories

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

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

1.4 Reporting Requirements

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

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

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



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

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

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

1.5 Audits

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



1.6 List of indicators: 2012-13

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



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

2 PERFORMANCE INDICATOR SCHEDULE

2.1 Background indicators

Definitions

Energy retailer / Retail business:

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

Retail customers:

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

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

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

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

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

2.2 Disconnection and reconnection indicators

{ Reported separately for residential and business customers }

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

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

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

2.3 Financial Hardship Program indicators

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

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

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

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

2.4 Call Centre indicators

{ Aggregated residential and business customers }

Definitions

Integrated Voice Response (IVR) or automated telephone system

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

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

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

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

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

2.5 Complaints indicators

{ Reported separately for residential and business customers }

Definitions

Complaint

An expression of dissatisfaction made to an organisation, related to its products/services, or the complaints-handling process itself where a response or resolution is explicitly or implicitly implied. Complaints can be made in person, by telephone or in writing (for example, letter, email, facsimile). For the avoidance of doubt, complaints include the following type of contacts:

- Where a customer expresses dissatisfaction and seeks a response or resolution regarding the conduct, action, proposed action, or failure to act by the retailer, its employees, agents, contractors or other representatives. This includes failure by the retailer to observe its published or agreed practices or procedures or in respect of a product or service offered or provided by the retailer or its representatives;
- Where a customer threatens to involve, or enquired about the possibility of involving, a third party, for example, the jurisdictional energy ombudsman or Member of Parliament.
- Where a complaint is directed to the retailer on behalf of the customer by an energy ombudsman scheme.
- More than one complaint can be made per customer/call. For example, if a customer makes a billing complaint and then makes a marketing complaint during the same call then two complaints should be recorded.
- Each individual customer contact that is a complaint should be recorded and categorised as a complaint, irrespective of the number of times the caller has made contact with a retailer on an issue.

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

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