

Electricity Industry Act 2004

# Electricity Retail Licence Performance Reporting Handbook

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Economic Regulation Authority

 WESTERN AUSTRALIA

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## 1 Background

The Economic Regulation Authority (**Authority**) is responsible for administering the electricity licensing scheme under Part 2 of the *Electricity Industry Act 2004 (Act)*. A business licensed by the Authority is required to comply with a range of obligations prescribed by the Act and its associated regulations and codes.

Under section 11/Schedule 1 of the Act, the Authority may determine licence terms and conditions, including requiring a licensee to provide to the Authority specified information in relation to the licence. In accordance with these powers, the Authority requires the holders of electricity retail licences to report against the performance indicators identified in section 18.2 of the Electricity Compliance Reporting Manual (**Reporting Manual**), published by the Authority in May 2011.<sup>1</sup> The annual performance report for the year ending 30 June is to be provided to the Authority by 20 September.

## 2 Purpose of this Handbook

This document has been developed to accompany the performance reporting obligations for electricity retail licensees in the Reporting Manual.

The template in section 18.2 of the Reporting Manual applies to the supply of electricity to small use customers.<sup>2</sup> It is important that there is a shared understanding amongst all stakeholders in respect of the information that is to be reported by electricity retail licensees, including the definitions to be applied to the performance indicators and the Authority's expectations as to the manner in which the information should be presented. Consistent with this objective, the Authority has issued this guide to inform electricity retail licensees about:

- the definitions to be applied to the performance indicators in the performance reports; and
- how to calculate the performance data (where applicable).

Where reference is made to other documents within this guide, the Authority recommends that the person(s) responsible for completing the licensee's performance report, familiarise themselves with these other documents in order to obtain a fuller understanding of the reporting context. Of particular interest is the **2007 SCONRRR Report**,<sup>3</sup> which has been incorporated into the regulatory reporting framework developed by the Authority for electricity retail licensees.

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<sup>1</sup> This document can be found on the Authority's website: [http://www.erawa.com.au/2/281/51/regulatory\\_guid.pm](http://www.erawa.com.au/2/281/51/regulatory_guid.pm)

<sup>2</sup> A small use customer consumes less than 160MWh of electricity per annum

<sup>3</sup> National Energy Retail Performance Indicators, Utility Regulators Forum, Steering Committee on National Regulatory Reporting Requirements – Retail Working Group, May 2007. A copy can be obtained on the Authority's website: [http://www.erawa.com.au/2/281/51/regulatory\\_guid.pm](http://www.erawa.com.au/2/281/51/regulatory_guid.pm)

### 3 Performance Reporting Tools

The Authority has issued a Microsoft Excel workbook called the Performance Reporting Datasheets – Electricity Retailers (**Performance Report**). It is mandatory for licensees to provide a completed Performance Report to the Authority by 20 September for the year ending 30 June. The latest version of the Performance Report can be found on the Authority’s website.<sup>4</sup>

The Performance Report comprises 8 datasheets, one for each of the performance reporting categories set out in section 18.2 of the Reporting Manual:

- Customers;
- Affordability;
- Disconnections for Non-Payment;
- Reconnections;
- Security Deposits;
- Complaints;
- Compensation Payments; and
- Call Centre Performance.

### 4 Completing the Performance Report

The Performance Report comprises a number of datasheets containing tables in the format shown in Table 1 below.<sup>5</sup>

**Table 1: Example datasheet format**

Indicator No.	Reference	Description	Basis of Reporting		Comments
			Number	Percentage	
RA 1	Code of Conduct clause 13.6(1)(a)	Total number of residential accounts held by contestable customers			

When completing the datasheets in the Performance Report, it is important that the structure of the data entry cells is not modified by inserting, deleting or re-ordering rows/columns. A number of cells contain values that are calculated from data that has been entered into other cells. These cells have been locked to protect the calculation formula and have been shaded yellow for identification purposes.

Only enter data into the cells that are not shaded grey or yellow.

If it is necessary to add a comment in relation to an indicator, use the Excel “Insert Comment” function to add the comment in the unshaded cell.

<sup>4</sup> The latest version of the Datasheets can be found on the Economic Regulation Authority website at: [http://www.erawa.com.au/2/281/51/regulatory\\_guid.pm](http://www.erawa.com.au/2/281/51/regulatory_guid.pm)

<sup>5</sup> Note that the Compensation Payments worksheet includes an additional data column, Value (\$), to report dollar amounts paid in compensation.

The No. column contains the unique reference number for the indicator. In this case the indicator is the first indicator in the retail licence indicator set (R), category A (Customers).

The reference column identifies the document from which the indicator has been derived, if applicable.

The description provides a short form explanation of what the indicator is intended to measure.

The basis of reporting offers 3 options:

- Number (this is used to enter any numerical value other than a percentage or a dollar value).
- Percentage (in most cases, this is automatically generated from numerical data)
- Value (\$).

The data entry cells have been formatted to align with the required degree of accuracy, (i.e. number of decimal places) appropriate for each indicator.

If it is not possible to provide the required data for an indicator then the cell should be left blank and a comment added in the “Comments” cell to explain why the data cannot be provided using the Excel “Insert Comment” function. Alternatively, the licensee may wish to use the “Comments” cell to add explanatory notes where there has been significant change in values from previous reporting periods or where the licensee feels that additional context to the data provided is necessary.

## **5 Submission of Completed Datasheets to the Authority**

Licensees are required to provide to the Authority a completed copy of the MS Excel workbook in electronic format. The completed workbook may be provided on a USB memory stick, CD-ROM or emailed to the Authority at: [licensing@erawa.com.au](mailto:licensing@erawa.com.au). Compliance with the licence in respect of providing performance reports will not be achieved until an electronic copy of the workbook has been received by the Authority.

## 6 Customers

### Purpose

To report on the number of contestable and non-contestable, residential and non-residential, small use customers supplied by a retailer. The number of customers is also used as a normaliser for other performance indicators.

### Reported Indicators

No.	Indicator
RA 1	Total number of residential accounts held by contestable customers
RA 2	Total number of residential accounts held by non-contestable customers
	Total number of residential accounts
RA 3	Total number of business accounts held by contestable customers
RA 4	Total number of business accounts held by non-contestable customers
	Total number of non-residential accounts
RA 5	Total number of pre-payment meter customers

### Definitions

**Customer** means a small use customer account.<sup>6</sup>

**Contestable residential/non-residential customer** means a residential/non-residential customer who consumes between 50MWh and 160MWh of electricity per annum.

**Non-residential account** means an account that is not a residential account.

**Pre-payment meter customer** means a customer who has a pre-payment meter operating at the supply address.

**Residential account** means an account for which a customer receives a domestic/residential tariff.

Note:

Accounts that are supplied on a combined residential/non-residential tariff are deemed to be non-residential accounts.

The total number of customers in a given class contestable and non-contestable, residential/non-residential, is the number of active accounts on 30 June.

<sup>6</sup> A customer account may include billing for more than one supply address. This means that, for some retailers, the number of accounts may be less than the number of supply addresses.

## 7 Affordability and Access

### Purpose

To report on the proportion of the retailer's customers who:

- have entered into an instalment payment arrangement to pay account arrears and continued usage; or
- have been granted more time to pay a bill; or
- have had a direct debit plan/facility terminated as a result of payment defaults.

### Reported Indicators

No.	Indicator
RB 1	Total number of residential customers who are subject to an instalment plan
RB 2	Percentage of residential customers who are subject to an instalment plan
RB 3	Total number of non-residential customers who are subject to an instalment plan
RB 4	Percentage of non-residential customers who are subject to an instalment plan
RB 5	Total number of residential customers who have been granted additional time to pay their bill under Part 6 {of the Code of Conduct}
RB 6	Percentage of residential customers who have been granted additional time to pay their bill under Part 6 {of the Code of Conduct}
RB 7	Total number of non-residential customers who have been granted additional time to pay their bill under Part 6 {of the Code of Conduct}
RB 8	Percentage of non-residential customers who have been granted additional time to pay their bill under Part 6 {of the Code of Conduct}
RB 9	Total number of residential customers who have been placed on a shortened billing cycle
RB 10	Percentage of residential customers who have been placed on a shortened billing cycle
RB 11	Total number of non-residential customers who have been placed on a shortened billing cycle
RB 12	Percentage of non-residential customers who have been placed on a shortened billing cycle
RB 13	Total number of residential customers who have had direct debit plans terminated
RB 14	Percentage of residential customers who have had direct debit plans terminated
RB 15	Number of non-residential customers who have had direct debit plans terminated
RB 16	Percentage of non-residential customers who have had direct debit plans terminated

### Definitions

**Direct debit plan termination** means where a direct debit plan/facility is terminated as a result of default/non-payment over at least two payment periods. The retailer should include terminations due to administrative oversight and mismanagement by the customer resulting in non-payment and the termination of Centrepay payments.

**Instalment plan** means an arrangement between the retailer and a customer to pay arrears and continued usage 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.



**Shortened billing cycle** means where a customer receives bills at a frequency that is greater than the standard billing frequency for similar customers.

Note:

The terms budget instalment plan, instalment payment plan and instalment plan all have the same meaning for the purposes of interpreting the definitions in this handbook.

The reader is referred to the notes on page 47 of the 2007 SCONRRR Report for further definitional information related to instalment payment plans and direct debit terminations.

## 8 Disconnections for Non-Payment

### Purpose

To report on:

- the proportion of the retailer's customers who have been disconnected due to failure to pay an amount owed; and
- the rate of disconnections among specific customer groups such as instalment plan customers and customers who are in receipt of a concession.

### Reported Indicators

No.	Indicator
RC 1	Total number of residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 {of the Code of Conduct} for failure to pay a bill
RC 2	Percentage of residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 {of the Code of Conduct} for failure to pay a bill
RC 3	Total number of non-residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 {of the Code of Conduct} for failure to pay a bill
RC 4	Percentage of non-residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 {of the Code of Conduct} for failure to pay a bill
RC 5	Total number of residential customers who have been disconnected who were previously the subject of an instalment plan
RC 6	Percentage of residential customers who have been disconnected who were previously the subject of an instalment plan
RC 7	Total number of residential customers who have been disconnected at the same supply address within the past 24 months
RC 8	Percentage of residential customers who have been disconnected at the same supply address within the past 24 months
RC 9	Total number of residential customers who have been disconnected while receiving a concession
RC 10	Percentage of residential customers who have been disconnected while receiving a concession

### Definitions

**Disconnection for failure to pay a bill** means a customer whose supply was disconnected due to a failure to pay an amount owed.

**Disconnection of a customer who was previously the subject of an instalment plan** means a residential customer whose supply was disconnected for failure to pay and who is, or who was within the previous 24 months, on an instalment plan.

**Disconnection of a customer disconnected previously within the past 24 months** means a residential customer whose supply was disconnected for failure to pay and who has been disconnected for failure to pay on one or more occasions within the previous 24 months.

**Disconnection of a customer receiving a concession** means disconnection, for failure to pay, of a residential customer who receives a concession, rebate or grant related to the supply of electricity at the time that the disconnection occurs.

**Note:**

If a customer is subject to more than one disconnection during the reporting period, then each disconnection should be reported separately. The purpose of the indicators is to measure the number of disconnection events rather than the number of customers experiencing disconnection.

The reader is referred to the notes on pages 48 and 49 of the 2007 SCONRRR Report for further definitional information related to disconnections and reconnections.

It is possible for a customer disconnection to count towards more than one disconnection indicator, e.g., a customer who has been disconnected within the previous 24 months and who was receiving a concession.

In relation to indicators RC5 – 8 inclusive, the retailer should ideally calculate the 24-month period from the date that the disconnection occurs. Should this not be possible then the retailer should determine whether the customer has been disconnected at any other time during the current and previous reporting year.

Percentages are calculated by dividing the number of disconnections by the total number of customers in the relevant category, residential or non-residential. For example:

$$RC\ 8 = 100 \times (RC\ 7/RA\ 1)$$

## 9 Reconnections

### Purpose

To report on:

- the proportion of the retailer's customers who have been reconnected following a disconnection for failure to pay a bill; and
- the rate of reconnections among specific customer groups such as instalment plan customers and customers who are in receipt of a concession.

### Reported Indicators

No.	Indicator
RD 1	Total number of residential customers who have been reconnected at the same supply address in the same name within 7 days of having been disconnected
RD 2	Percentage of residential customers who have been reconnected at the same supply address in the same name within 7 days of having been disconnected
RD 3	Total number of non-residential customers who have been reconnected at the same supply address in the same name within 7 days of having been disconnected
RD 4	Percentage of non-residential customers who have been reconnected at the same supply address in the same name within 7 days of having been disconnected
RD 5	Total number of residential customers who have been reconnected in the same name who were previously the subject of an instalment plan
RD 6	Percentage of residential customers who have been reconnected in the same name who were previously the subject of an instalment plan
RD 7	Total number of residential customers who have been reconnected in the same name and at the same supply address within the past 24 months
RD 8	Percentage of residential customers who have been reconnected in the same name and at the same supply address within the past 24 months
RD 9	Total number of residential customers who have been reconnected and who, immediately prior to disconnection, were receiving a concession
RD 10	Percentage of residential customers who have been reconnected and who, immediately prior to disconnection, were receiving a concession

### Definitions

**Reconnection** means the restoration of supply, in the same name and at the same premises, to a customer who has previously been disconnected for failure to pay a bill.

**Reconnection within 7 days** means the reconnection of a customer within 7 calendar days of disconnection for failure to pay a bill.

**Reconnection of a customer previously on an instalment plan** means a customer whose supply was reconnected who are, or who were in the previous 24 months, on an instalment plan.

**Reconnection of a customer who was previously disconnected within the past 24 months** means a customer whose supply was reconnected and who has been disconnected on one or more occasions in the previous 24 months for failure to pay a bill.

**Reconnection of a customer receiving a concession** means the reconnection of a residential customer who receives a concession, rebate or grant related to the supply of electricity at the time of disconnection.

**Note:**

If a customer is subject to more than one reconnection during the reporting period, then each reconnection should be reported separately. The purpose of the indicators is to measure the number of reconnection events rather than the number of customers experiencing reconnection.

The reader is referred to the notes on pages 48 and 49 of the 2007 SCONRRR Report for further definitional information related to disconnections and reconnections.

It is possible for a customer reconnection to count towards more than one reconnection indicator, i.e., a customer who has been reconnected within the previous 24 months and who was receiving a concession immediately prior to disconnection.

Percentages are calculated by dividing the number of reconnections by the total number of customers in the relevant category, residential or non-residential. For example:

$$RD 8 = 100 \times (RD 7/RA 1)$$

## 10 Security Deposits

### Purpose

To report on the proportion of the retailer's customers who have lodged security deposits to secure an electricity supply.

### Reported Indicators

No.	Indicator
RE 1	Total number of residential customers who have lodged security deposits
RE 2	Percentage of residential customers who have lodged security deposits
RE 3	Total number of non-residential customers who have lodged security deposits
RE 4	Percentage of non-residential customers who have lodged security deposits

### Definitions

**Security deposit** means the lodgement of a deposit (refundable advance) to secure connection or reconnection, to an electricity supply.

## 11 Complaints

### Purpose

To report on the level of satisfaction with the retailer's service and to provide information about the level of customer complaints against defined categories.

### Reported Indicators

No.	Indicator
RF 1	Total number of complaints received from residential customers
RF 2	The percentage of total complaints from residential customers that relate to billing/credit complaints
RF 3	The percentage of total complaints from residential customers that relate to transfer complaints
RF 4	The percentage of total complaints from residential customers that relate to marketing complaints
RF 5	The percentage of total complaints from residential customers that relate to other complaints
RF 6	Percentage of residential complaints concluded within 15 business days
RF 7	Total number of complaints received from non-residential customers
RF 8	The percentage of total complaints from non-residential customers that relate to billing/credit complaints
RF 9	The percentage of total complaints from non-residential customers that relate to transfer complaints
RF 10	The percentage of total complaints from non-residential customers that relate to marketing complaints
RF 11	The percentage of total complaints from non-residential customers that relate to other complaints
RF 12	Percentage of non-residential complaints concluded within 15 business days
RF 13	Total number of complaints, other than those complaints specified in clause 13.13(a) {of the Code}, relating to a pre-payment meter customer
RF 14	Percentage of pre-payment meter complaints, other than those complaints specified in clause 13.13(a) {of the Code}, concluded within 15 business days

### Definitions

**Billing complaints** includes billing errors, incorrect billing of fees and charges, failure to receive relevant Government rebates, high billing, credit collection, disconnection and reconnection, and restriction due to billing discrepancy.

**Complaint** means an expression of dissatisfaction made to an organisation, related to its products/services, or the complaints handling process itself where a response or resolution is explicitly or implicitly expected. The reader is referred to the detailed discussion of complaints, with examples, in Appendix 1 of the 2007 SCONRRR Report. This document draws on the guidelines for complaints handling in Standard AS ISO 10002-2006 Customer satisfaction – Guidelines for complaints handling in organisations.

Note:

- Complaints may be received via telephone, mail, facsimile, email or in person.
- More than one complaint can be made per customer contact. If a customer makes a complaint about a billing matter and a transfer matter in the same communication, then 2 complaints should be recorded.

**Marketing complaints** includes advertising campaigns, contract terms, sales techniques and misleading conduct.

**Other complaints** includes poor service, privacy considerations, failure to respond to complaints in a timely manner, health and safety issues, and any other matter not falling into the billing, marketing and transfer categories.

**Transfer complaints** includes failure to transfer a customer within a certain time period, disruption of supply due to transfer and billing problems directly associated with the transfer (e.g., delay in billing, double billing).

**Pre-payment meter customer** means a customer that has a pre-payment meter operating at their supply address.



## 12 Compensation Payments

### Purpose

To report on the number of payments and the amounts paid by retailers for failing to meet specified standards of service to customers.

### Reported Indicators

No.	Indicator
RG 1	Total number of payments made under clause 14.1 {of the Code of Conduct}
RG 2	Average amount of payments made under clause 14.1 {of the Code of Conduct}
RG 3	Total number of payments made under clause 14.2 {of the Code of Conduct}
RG 4	Average amount of payments made under clause 14.2 {of the Code of Conduct}
RG 5	Total number of payments made under clause 14.3 {of the Code of Conduct}
RG 6	Average amount of payments made under clause 14.3 {of the Code of Conduct}

### Definitions

**Number of payments made** means the number of payments that have been made during the reporting period. Payments that have been claimed by customers but not yet paid are excluded.

**Average amount of payments made** means the average dollar amount paid to a customer in relation to the specified category of compensation payment during the reporting period. Payments that have been claimed by customers but not yet paid are excluded.

## 13 Call Centre Performance

### Purpose

To report on the level of service provided to customers who contact the retailer by telephone.<sup>7</sup>

### Reported Indicators

No.	Indicator
RH 1	Total number of telephone calls to an operator
RH 2	Total number of telephone calls to an operator responded to within 30 seconds
RH 3	Percentage of telephone calls to an operator responded to within 30 seconds
RH 4	Average duration (in seconds) before call answered by an operator
RH 5	Percentage of calls that are unanswered

### Definitions

**Number of telephone calls to an operator responded to within 30 seconds** means the number of calls to an operator or customer service operator that were answered within 30 seconds. In the case of an IVR<sup>8</sup> system the measurement period commences at the time that the customer selects an operator option.

**Total number of telephone calls to an operator** means the total number of calls received by a retailer that were handled by an operator or customer service operator, and in the case of an IVR system covers the number of calls where the customer has selected the relevant operator option (i.e., indicated they wish to be connected to an operator or Customer Service Officer). This indicator excludes all calls that do not require operator attention, including IVR calls where the customer does not select an operator option, and calls that were terminated **before** an operator option was selected.

Note:

- This is to include all calls to an operator or Customer Service Officer, including sales calls.
- This measure includes all calls that were terminated by the customer **after** an operator option was selected.
- Calls to third parties, such as contractors or marketing agents acting on behalf of the retailer, are not to be included. However, calls received by a contractor that is providing all or part of the retailer's customer service operations, i.e., an outsourced call centre, are to be included.

**Call that is unanswered** means where the customer has terminated the call before it was answered by an operator or, in the case of an IVR system, includes all calls where the customer selected an option indicating they wished to speak with an operator, but then subsequently terminated the call before it was answered by an operator. Calls to an IVR

<sup>7</sup> Reporting against these indicators is mandatory for retailers who operate a call centre that is capable of automatically recording some or all of the responsiveness indicators. Retailers who have other systems to handle customer calls may report on those responsiveness indicators that they record on a voluntary basis.

<sup>8</sup> Interactive Voice Response – equipment that allows a call centre telephone system to detect voice and keypad tone signals and then respond with pre-recorded or dynamically generated audio to further direct callers to the service they require.

system that are terminated by the customer prior to selecting a relevant operator option are not included.

## Calculations

The “average duration before call answered by operator” is calculated as:

$$\frac{\sum(\text{answer wait times})}{\text{total number of calls answered by an operator}}$$

Note:

- This measure only includes calls that are answered by an operator.
- For IVR systems, the measurement period commences at the time that the customer selects an option indicating they wish to speak to an operator.
- For non-IVR systems, the measurement period commences when the call is received by the switchboard and ends when the call is answered by an operator who is able to respond to the customer’s enquiry (rather than place the customer into a queue).
- Calls that are unanswered are excluded from the calculation of this indicator.