

16 November 2009

Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

By email (electricity@qca.org.au)

TRUenergy Response: QCA Draft Decision, Retailer Reporting Requirements

TRUenergy welcomes the opportunity to provide comments to the Queensland Competition Authority's (QCA's) Draft Decision, Retailer Reporting Requirements.

TRUenergy would like to make the following comments on the proposed amendments to new disaggregated disconnection and hardship indicators.

Our comments are based on the QCA's objective for introducing the new measures, being:

1. improving the market information available to assess how low income customers are managing paying their energy bills;
2. Maintaining consistency with the proposed Ministerial Council on Energy National Energy Consumer Protection Framework (NECF); and
3. Maintaining consistency with reporting obligations in other jurisdictions prior to the commencement of NECF.

In particular, the following measures we believe do not satisfy these objectives and will result in additional costs for retailers and consumers without any commensurate benefits with respect to the objectives:

- Disconnection in total for residential and small businesses
- The number of small businesses disconnected for non-payment and reconnected within 7 days with the same name and premises

In our opinion the proposed requirement to report total disconnections does not provide greater clarity in identifying payment difficulties affecting the most vulnerable customers. Further, no other jurisdiction or the NECF propose that retailers collect and report on this indicator. This indicator is a new measure and will require retailers to develop new processes. More importantly, disconnections other than non-payment generally occur at the discretion of the customer (ie moving home and/or carrying out renovations on their property) and are therefore not an indicator of customers having financial difficulty in managing their energy bills. TRUenergy recommend that this indicator not be required for collection.

The rationale for the proposed new measures of reconnection for small businesses (being reconnection within 7 days of disconnection and reconnection following disconnection) is not clear. Other jurisdictions seek data on small businesses reconnected after disconnection but do not also require data on reconnection within 7 days of disconnection. Importantly, for small business customers, energy is not an essential service, in the sense of a quality of life dependency. It is a business input. Business deal with far greater complexity in the form of labour, supply, financial and tenancy contracts as part of their daily operations. In most cases, small businesses make conscious business decisions with respect to disconnection as a way of managing cash flow and the disconnection does not result in potential distress with respect to maintaining a basic standard of living.

TRUenergy recommends that the proposed indicator of the number of small businesses disconnected or non-payment and reconnected within 7 days with the same name and premises be removed.

Please contact me on telephone number (03) 8628 1185 or e-mail con.hristodoulidis@truenenergy.com.au to discuss any aspects of the submission.

Yours Sincerely

(signed for e-mail)

Con Hristodoulidis
Regulatory Manager