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REFERENCE NUMBER

JED2021/2706

**Kimberlee McKay**

Director Utilities Commission  
Utilities Commission of the Northern Territory  
Floor 3, NT House  
22 Mitchell Street  
Darwin, NT 0801

Dear Kimberlee,

**Further submission – Electricity Industry Performance (EIP) Code Review**

Thank you for the opportunity for Jacana Energy to make a further submission for consideration by the Utilities Commission (the **Commission**) towards the Electricity Industry Performance Code (**EIP Code**) (Standards of Service and Guaranteed Service Levels) Review.

This further submission provides additional responses to be considered together with the responses to the Issues Paper provided in Jacana Energy's initial submission. The responses relate to reporting by region, data segmentation in reporting, further clarification regarding submissions on definitions used in reporting retail performance measures and also incorporates submissions specific to the performance measures in Schedule 4 Table 4 of the EIP Code.

**Question 2** of the Issues Paper asks whether additional clarification is required to make it clear that the EIP Code applies to the services in the regulated power systems operating in the Northern Territory. The view of Jacana Energy expressed in the response was that retail performance reporting would provide a better comparison by reporting at the Northern Territory level rather than by regions. Jacana Energy maintains this position. However, if the Commission were inclined to provide clarification on the application of the EIP Code to the regulated power systems and maintain retail performance reporting against regions, Jacana Energy would prefer that reporting by region reflected the three regulated power systems; the Darwin-Katherine system, the Alice Springs system and the Tennant Creek system.

**Question 22** of the Issues Paper asks whether, in relation to the date debt is calculated and the term 'debt' should be defined for retail performance reporting under Schedule 4 of the EIP Code. The view of Jacana Energy expressed in its initial response supported inclusion of dates for calculation of debt, both for hardship and energy debt. Further to this, Jacana Energy requests the Commission to consider defining debt to clearly distinguish between hardship debt and energy debt, so that hardship debt is the amount of debt outstanding while energy debt means debt that is 90 days or more overdue. This would be consistent with Australian Energy Regulator (AER) standards.

Further, Jacana Energy notes that there is no guidance in the EIP Code or the AER's (Retail Law) Performance Reporting Procedures and Guidelines (AER Guidelines) in relation to the reporting of

debt which would allow for only debt amounts greater than \$10 being reported. The way debt is treated by Jacana Energy depends on the amount of debt held on an account, with debt action only taken in respect of debt greater than \$10. This applies to both hardship debt and energy debt.

Jacana Energy is concerned that incorporating debtors owing less than \$10 into reporting could result in a drop in the average debt reported and diminish the severity and significance of debt levels, and consequently diminish the significance of debt as a reportable retail services performance indicator.

**Question 27** of the Issues Paper asks if the current definition of 'residential customer' and 'small customer' are sufficient and if a definition of 'small business customer' should be added. Further to the initial submission provided, Jacana Energy notes that the definitions of a residential customer and a small business customer in other jurisdictions use different consumption thresholds. This makes comparison between the Northern Territory and other jurisdictions more challenging. However, Jacana Energy notes that the current consumption thresholds for small customers in the Northern Territory is 160MWh per annum and proposes to maintain this definition for reporting purposes (and suggests the same be applied to any definition of small business customer that may be included).

**Question 31** of the Issues Paper asks if the EIP should define a 'customer' for the purpose of reporting in Schedule 4 as a 'National Meter Identifier (NMI) Connection point'. In Jacana Energy's initial submission it was suggested that this should be further clarified to 'active' connection points. Further to this it is suggested that occupier vacant sites are specifically excluded in the definition.

It is also further noted that when reporting by region, the definition of customer as a NMI connection point presents an issue for the reporting of debt. Debt is held at an account level, rather than customer level, where an account may hold a number of NMI connection points. The debt therefore sits across all the NMI connection points which may be located in more than one region in the Northern Territory. To report on the level of debt at a customer level across regions means that the debt is allocated across the NMI connection points through averaging, and with the average attributed to an account then applied across NMI connection points and across the regions. This means the debt is not accurately reported if reporting at region level. Reporting at the Northern Territory level for debt provides more accuracy of debt levels.

A further final note for the definition of customer is that unmetered infrastructure does not have a NMI connection point as per network operator procedures so should be excluded under the definition of customer for reporting purposes.

**Question 32** of the Issues Paper asks whether Darwin and Katherine regions are defined for reporting segmentation purposes. In its initial submission Jacana Energy reiterated the preference for reporting to be at the whole of Northern Territory level rather than reporting by region for all retail performance measures. This is because given the relatively low customer base within the Northern Territory, a statistically significant sample size is not reached unless data is reported at the Northern Territory level, particularly in relation to debt. Reporting at the Territory level also provides a better comparison with AER jurisdictions which report at a whole of jurisdiction level rather than by region. As stated in the additional response to Question 2, if the Commission is inclined to maintain reporting by region, Jacana Energy suggests that the regions are defined by the regulated power systems, noting that this does entirely resolve the issue.

**Question 33** of the Issues Paper asks whether there are any issues not included in the paper which should be considered as part of the review. Jacana Energy provides additional commentary on the following issues.

*Unmetered sites*

Jacana Energy suggest that unmetered sites should be specifically excluded from reporting requirements See further response to Question 31 above.

*Schedule 4, Table 4 Retail Performance Measures – additional data*

Jacana Energy has provided reports which go beyond the prescribed reporting requirements in the past, if this practice is accepted by the Commission it would be beneficial for guidance or a reference to be included in the EIP Code that supports the provision of data, where the data is collected and maintained as a business practice, beyond the retail performance measures prescribed in Schedule 4, Table 4 of the EIP Code.

*Schedule 4, Table 4 Retail Performance Measures – prepayment meters*

In respect of pre-payment meters, Jacana Energy notes that there is an ambiguity relating to the reporting of pre-payment meter (PPM) indicators, specifically the performance indicator 'total number of PPM customers self-disconnected' which arises when considering the EIP Code and the AER Guidelines which means the indicator could be interpreted in two ways. Preliminary consideration of this ambiguity has been provided to Jacana Energy by the Commission.

Firstly, it could be interpreted as the total number of self-disconnection events for each customer in each reporting period, i.e. if 10 customers were disconnected 10 times each in a reporting period, 100 disconnections would be reported. Jacana Energy notes the view that this first interpretation is likely to meet the intent of the specific indicators inclusion in the EIP Code and provides the most useful data.

The second interpretation would be the total number of customers self-disconnected in a reporting period, regardless of the number of times each customer was self-disconnected. For instance, if 10 customers were disconnected 10 times each in a reporting period, there would be a total of 10 customers disconnected during the period. Jacana Energy notes the view that this second interpretation of the indicator has the potential to mask the true extent of self-disconnections but that when considering the AER Guidelines, it appears to support the second interpretation.

Jacana Energy submits that there is capacity to report on either interpretation so does not express a preference beyond seeking clarification to remove the ambiguity.

*Schedule 4, Table 4 Retail Performance Measures – Hardship - case studies*

The final performance indicator specified in the table under 'Hardship' is 'case studies'.

This indicator is specified as an AER based performance indicator, which clause 4.2.2 of the Schedule provides must be consistent with the AER Guidelines, as updated from time to time. Reference to the current AER Guidelines, being version 3 in effect from April 2018, indicates that there is no reference to 'case studies' to provide guidance on reporting against the indicator. No further information about the indicator is found in the EIP Code or the AER Guidelines. Through reference to the instrument amending the AER Guidelines, it appears that there was previously an optional performance indicator relating to 'case studies' which was removed from the AER retail performance indicators. It is noted that Version 3 of the AER Guidelines commenced in April 2018,

only 6 months after the EIP Code commenced (October 2017), and before the first report made to the Commission under the EIP Code for the 2017/18 reporting period.

Jacana Energy seeks to have the indicator removed as a performance indicator, given that it is listed as an AER based performance indicator but removed from the AER Guidelines prior to the first report under the EIP Code, and consequently there is no guidance available on the indicator or apparent need for the indicator to be reported.

Thank you again for this opportunity to provide a further submission towards review of the EIP Code.

Please do not hesitate to contact Hannah Clee, Manager Legal and Compliance and Assistant Company Secretary on 8943 6514 should you wish to discuss the contents of this submission.

Yours sincerely,



Louisa Kinnear  
Chief Executive Officer  
**Jacana Energy**