UTILITIES COMMISSION
OF THE NORTHERN TERRITORY

Northern Territory Electricity Retail Review

2021-22

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Disclaimer

The Northern Territory Electricity Retail Review (NTERR) is prepared using information sourced from Territory electricity supply industry participants, Northern Territory Government agencies, consultant reports and publicly available information. The NTERR covers the financial year ending 30 June 2022. The Utilities Commission understands the information received to be current as at February 2023.

This NTERR contains analysis and statements based on the Commission's interpretation of data provided by Territory electricity industry participants. To enable comparison with other jurisdictions, the Commission has sought to align the data reporting with the other Australian jurisdictions, where possible. However, there are some differences so any comparisons should be considered indicative only.

Any person using the information in the NTERR should independently verify the accuracy, completeness, reliability and suitability of the information and source data. The Commission accepts no liability (including liability to any person by reason of negligence) for any use of the information in the NTERR or for any loss, damage, cost or expense incurred or arising by reason of any error, negligent act, omission or misrepresentation in the information in the NTERR or otherwise.

Any questions regarding the NTERR should be directed to the Utilities Commission utilities.commission@nt.gov.au or by phone 08 8999 5480.

About this review

Since 2018, the Utilities Commission of the Northern Territory (Commission) has published an annual Northern Territory Electricity Retail Review (NTERR), which focuses on retail performance and quality of services provided to small customers. A small customer is defined as consuming less than 160 megawatt hours (MWh) per annum by the Electricity Industry Performance Code (EIP Code)[1]. The NTERR does include some observations in relation to larger customers, such as those related to market share and competition.

The 2021-22 NTERR is prepared by the Commission in accordance with section 45 of the *Electricity Reform Act 2000* (ER Act)[2]. The NTERR's main purpose is to inform the responsible minister, government, licence holders and stakeholders of electricity retail performance in 2021-22 in respect of the Darwin-Katherine, Alice Springs and Tennant Creek power systems (or regions).

The NTERR compliments the Commission's Northern Territory Power System Performance Review[3] and Northern Territory Electricity Outlook Report[4] to meet the Commission's reporting obligations, previously fulfilled by the Commission's annual Power System Review (from 2001 to 2017). It is the Commission's view that a standalone NTERR, which focuses solely on Northern Territory electricity retail performance, provides for greater insight into the Territory's electricity retail market and any potential issues in a way not previously achieved with a broader power system review.

Regular reporting on the electricity industry increases understanding and transparency of issues, and consequently improves planning, investment, understanding of value for money (price compared with level of service) and general performance by holding electricity businesses accountable for their performance and impacts on customers.

The NTERR makes comparisons with jurisdictions or regions covered by the National Energy Customer Framework (NECF). NECF applies in the Australian Capital Territory, New South Wales, Queensland, South Australia and Tasmania, but not Victoria, Western Australia or the Northern Territory. When this review refers to NECF jurisdictions or regions it has the meaning of jurisdictions covered by NECF, unless explicitly stated otherwise.

Inputs to this review were primarily provided by electricity retailers, as required under the EIP Code. The Commission intends to continue working with retailers to identify potential improvements in EIP Code data reporting, including through the current EIP Code review[5]. Relevantly, clause 6.2 of the EIP Code requires electricity entities to undertake an independent audit of compliance with data quality requirements at least once every three years. The next audit is due to be undertaken in 2023-24.

1 Electricity Industry Performance Code: https://utilicom.nt.gov.au/publications/codes-and-guidelines/electricity-industry-performance-code2.

2 *Electricity Reform Act 2000*: https://legislation.nt.gov.au/en/Legislation/ELECTRICITY-REFORM-ACT-2000.

3 Northern Territory Power System Performance Review: https://utilicom.nt.gov.au/electricity/reporting/power-system-performance-review.

4 Northern Territory Electricity Outlook Report: https://utilicom.nt.gov.au/electricity/reporting/electricity-outlook-report.

5 Electricity Industry Performance Code Review: https://utilicom.nt.gov.au/projects/projects/electricity-industry-performance-code-review.

Key findings and recommendations

Executive summary

Consistent with previous years, retail competition in the Territory continued to be limited and this year's review found mixed results across the retail performance indicators. The impacts of the COVID-19 pandemic on retail performance in the Territory are apparent, particularly in relation to impacts to retailers' customer service response times in 2021-22.

The Commission considers that a particular area of concern in 2021-22 is a substantial increase in residential customer energy bill debt indicators. Notably, in 2021-22 the percentage of residential customers in the Territory with energy bill debt, and the average amount of that debt, are the highest figures reported for the last five years. Further, the percentage of residential customers with energy bill debt in the Territory does not compare favourably with other Australian jurisdictions and 2021-22 is the first year the average residential customer energy bill debt has been higher on average in the Territory than NECF jurisdictions.

The Commission discussed in the previous NTERR that the accumulation of residential customer energy bill debt in the Territory was due, at least in part, to Jacana Energy's adoption of policies and processes to assist customers through the pandemic. Jacana Energy proactively adopted the Australian Energy Regulator's (AER) Statement of Expectations for energy businesses: Protecting customers and the energy market during COVID-19 (AER's SOE), including ceasing debt collection and disconnections for overdue debt. With the end of these pandemic-related support measures, the Commission is pleased to see Jacana Energy is continuing to take a support-oriented approach to address the debt backlog, including offering flexible, longer-term payment plan options to customers outside of its typical hardship processes and taking a 'last resort' approach to customer disconnections. Despite the increase in residential customer energy bill debt, the level of residential customer disconnections in the Territory in 2021-22 remained very low.

The Commission considers that large amounts of residential customer energy bill debt is not sustainable in the long term and this situation must be managed carefully by Territory retailers, noting there is a risk that high levels of disconnection may occur as usual debt management processes are re-introduced.

The Commission considers it encouraging that, unlike the situation observed with residential customers, the percentage of small business customers with energy bill debt in the Territory decreased in 2021-22 relative to the previous year and compares favourably to other Australian jurisdictions.

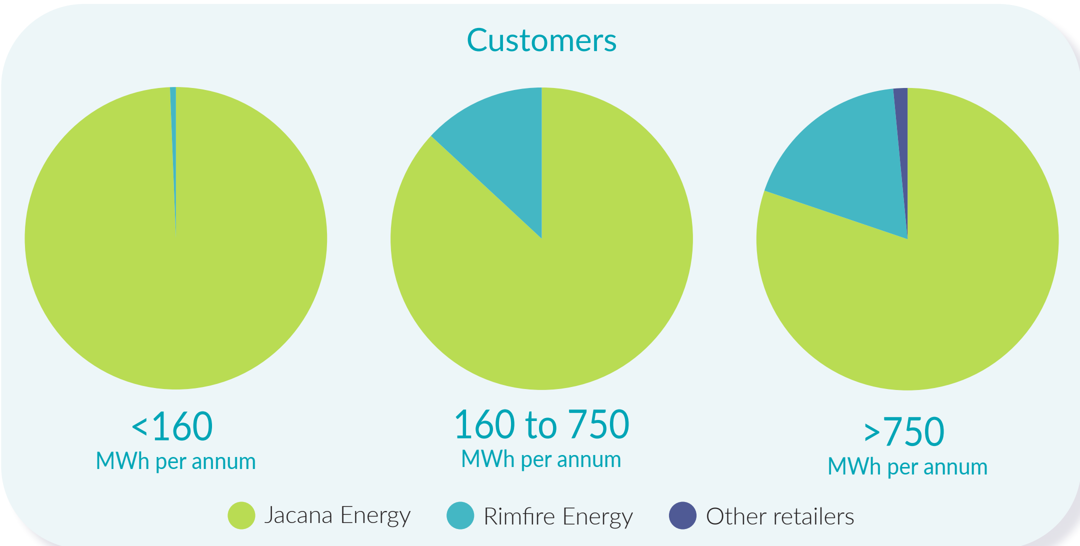
The Commission continues to be concerned by high levels of self-disconnections of customers with prepayment meters who lose electricity supply when they do not have sufficient credit on their meter. Prepayment meter self-disconnection events in the Territory appear very high, noting there are limited benchmarks due to prepayment meters being uncommon in other jurisdictions.

The Commission will continue to closely monitor energy bill debt levels and the level of disconnections in the next NTERR.

The following sets out the specific findings of the 2021-22 NTERR by category.

Retail market overview

- Retail competition in the Territory continued to be limited in 2021-22, with Jacana Energy remaining the dominant retailer, particularly for residential and small business customers consuming less than 160 MWh per annum. There is no indication of increased competition eventuating under current market conditions.
- Competition remains most evident for the largest customers consuming more than 750 MWh per annum, however the level of competition in this sector of the market has decreased each year since 2018-19. The Territory Government's regulated electricity tariffs do not apply to these customers.
- Regulating prices for customers up to 750 MWh per annum appears to result in a number of large commercial customers receiving taxpayer-subsidised and below-cost reflective prices.
- The Territory Government's community service obligation (CSO) payment to retailers, to account for the shortfall between the cost of supply and the regulated electricity tariffs set under the Electricity Pricing Order, increased to an average subsidy of $1,076 per customer in 2021-22, an increase of 15.1% relative to 2020-21 levels.



Retail performance

- There was a significant decline in Jacana Energy's telephone responsiveness in 2021-22 despite a reduction in the number of inbound calls received. The deterioration in Jacana Energy's telephone responsiveness is a consequence of COVID-19, which impacted call centre resourcing.
- Customer complaints to retailers slightly increased in 2021-22 relative to 2020-21 levels but remained below the average result for the past five years. Customer complaints to retailers as a percentage of total customers continues to compare favourably to the NECF jurisdictions, where the rate of complaints was substantially higher.
- Approaches to the Ombudsman NT as a percentage of customer complaints to Jacana Energy decreased in 2021-22, with the majority of these approaches relating to credit listings. A substantial number of approaches were also received in relation to the removal of Jacana Energy's premium one-for-one solar feed-in tariff, which was a government policy decision and outside of Jacana Energy's control.

Jacana Energy calls taken within 30 seconds
42.0%
↓ 24.3 percentage points

Jacana Energy calls abandoned before being answered
10.3%
↑ 6.6 percentage points

Rimfire Energy calls taken within 30 seconds
87.7%
↑ 10.2 percentage points

Rimfire Energy calls abandoned before being answered
12.3%
↓ 2.3 percentage points

Percentage of customers making complaints
0.5%
↑ 0.06 percentage points

Approaches to Ombudsman NT as a percentage of Jacana Energy complaints
19.5%
↓ 9.7 percentage points

Payment difficulties and hardship

- There was a large increase in the percentage of residential customers with energy bill debt, and the average amount of residential customer energy bill debt, in the Territory during 2021-22. Both the percentage of residential customers with energy bill debt and the average energy bill debt of residential customers in the Territory was higher than NECF jurisdictions on average.
- The elevated amount of residential customer debt in the Territory in 2021-22 appears to be carried over from the previous financial year and is exacerbated by the impacts of COVID-19, including lockdowns, lockouts, and various restrictions imposed in 2021-22.
- The percentage of small business customers with energy bill debt in the Territory decreased during 2021-22, driven by a substantial increase in the total number of small business customers in the Territory. While the average debt of small business customers in the Territory increased in 2021-22 relative to 2020-21, both small business customer debt indicators compare favourably to NECF jurisdictions on average.

- The percentage of residential customers on a payment plan in the Territory in 2021-22 is notably higher than previous years and higher than NECF jurisdictions on average. This is likely due to Jacana Energy's continued provision of more accessible, flexible short and long-term payment plan options to customers in light of COVID-19 and the high amounts of residential customer debt carried over from the previous year.
- The percentage of residential customers on a hardship program in the Territory decreased in 2021-22 and was below the average of NECF jurisdictions. The decrease in the percentage of residential customers on a hardship program also appears to be due to Jacana Energy's provision of flexible payment plan options, recognising that at times, customers with a larger debt may need additional time on a payment plan without requiring specific hardship support.
- The percentage of both residential and small business customers in the Territory disconnected for non-payment in 2021-22 continued to be very low, despite increasing from 2020-21 levels where disconnections were effectively zero. Jacana Energy advised it continued to take a last resort approach to disconnections for non-payment throughout the year, recognising continued COVID-19 impacts. Jacana Energy also implemented a freeze on residential customer disconnections throughout the fourth quarter of 2021-22, which further reduced the level of residential customer disconnections.
- The duration of self-disconnection events for prepayment meter customers in the Territory reduced in 2021-22, relative to 2020-21, while the frequency of self-disconnection events increased. Prepayment meter self-disconnection events in the Territory continues to appear very high, noting there are limited benchmarks.

Residential customers with debt
3.1%
↑ 1.1 percentage points

Average residential customer debt
$1,107
↑ $136 (14.0%)

Residential customers on a payment plan
3.3%
↑ 1.1 percentage points

Residential customers on a hardship program
0.9%
↓ 0.1 percentage points

Residential customers disconnected for non-payment
0.3%
↑ 0.3 percentage points

Small business customers with debt
1.9%
↓ 0.6 percentage points

Average small business customer debt
$1,881
↑ $117 (6.6%)

Small business customers disconnected for non-payment
0.3%
↑ 0.3 percentage points

Review of progress on previous recommendations

In each NTERR published since 2017-18, the Commission has recommended the Territory Government consider establishing a fit-for-purpose customer protections framework that addresses gaps in the existing framework, including in relation to:

- internal dispute resolution procedures for retailers
- external dispute resolution mechanisms
- hardship policy obligations for retailers.

In the 2020-21 NTERR, the Commission also recommended the Territory Government consider establishing protections for prepayment meter customers that are suitable for the Territory's circumstances. The Commission continues to recommend the Territory government consider establishing a fit-for-purpose customer protections framework that addresses the gaps highlighted above, noting these recommendations are primarily for government consideration and not enforceable.

The Commission notes its recommendations have been acknowledged by the Territory Government, and the Office of Sustainable Energy is undertaking work to establish customer protection arrangements. The most recent advice from the relevant minister was in December 2022 and requested the Commission to continue to work with the Office of Sustainable Energy to develop suitable customer protection arrangements.

While the Commission considers its recommendations are best addressed by government through a fulsome energy customer protection framework suitable for the Territory, and continues to work with the Office of Sustainable Energy toward this end, the Commission's late-2022 draft decision[6] associated with the ERS Code Review[7] proposes introducing relevant provisions that include:

- retailer internal dispute resolution obligations, generally consistent with those of the National Energy Retail Law (NERL), amended for the Territory's circumstances
- retailer obligations to develop, implement and comply with a Commission-approved customer hardship policy for its residential customers
- obligations on retailers with prepayment meter customers to develop, implement and comply with a Commission-approved customer hardship policy for its prepayment meter customers.

The Commission is currently considering stakeholder feedback received in relation to the ERS Code Review draft decision and developing its final decision.

6 Electricity Retail Supply Code Review Draft Decision Paper: https://utilicom.nt.gov.au/publications/reports-and-reviews/draft-decision-paper-electricity-retail-supply-code-review.

7 Electricity Retail Supply Code Review: https://utilicom.nt.gov.au/projects/projects/electricity-retail-supply-code-review2.

Contents

1| Retail market overview

This chapter provides an overview of the Northern Territory electricity retail industry and considers:

- entities licensed in the Territory to sell and retail electricity to customers
- competition within the electricity retail industry by assessing market share (based on customer numbers).

This chapter also includes high level discussion on issues that impact electricity costs for electricity customers and Territory taxpayers, and potential barriers to retail competition.

Retailers

Electricity retailers provide the interface between customers and the broader electricity industry by purchasing electricity in bulk from generators and selling the electricity to households and businesses. Retailers are typically the first point of contact for electricity consumers, and their role in the electricity supply industry includes facilitating customer connections, undertaking billing services and providing customer service, which is generally done through a call centre.

The ER Act requires entities conducting certain operations in the electricity supply industry in the Territory to be licensed by the Commission. This includes entities selling electricity.

Table 1 below lists the licensed electricity retailers in the Territory at 30 June 2022.

Table 1: Licensed electricity retailers in the Territory[8] at 30 June 2022

Retailer	Licence issued
Department of Defence[1]	27 July 2020
EDL NGD (NT) Pty Ltd	30 June 2016
Jacana Energy	31 March 2005
Next Business Energy Pty Ltd	29 June 2018
Power and Water Corporation[2]	31 March 2005
QEnergy Limited[3]	4 February 2011
Rimfire Energy	11 August 2014
Territory Generation[4]	29 November 2019

1 The Department of Defence's retail licence only allows the sale of electricity generated from within the Royal Australian Air Force Base Darwin (Winnellie) and Robertson Barracks (Holtze).

2 PWC's retail licence does not include the sale of electricity in the Darwin-Katherine, Alice Springs and Tennant Creek networks.

3 QEnergy Limited's retail licence was suspended from 23 January 2023.

4 Territory Generation's retail licence only allows the sale of electricity to the Department of Defence at the Joint Defence Facility Pine Gap near Alice Springs.

There was no change in the number of licensed electricity retailers operating in the Territory during the 2021-22 financial year.

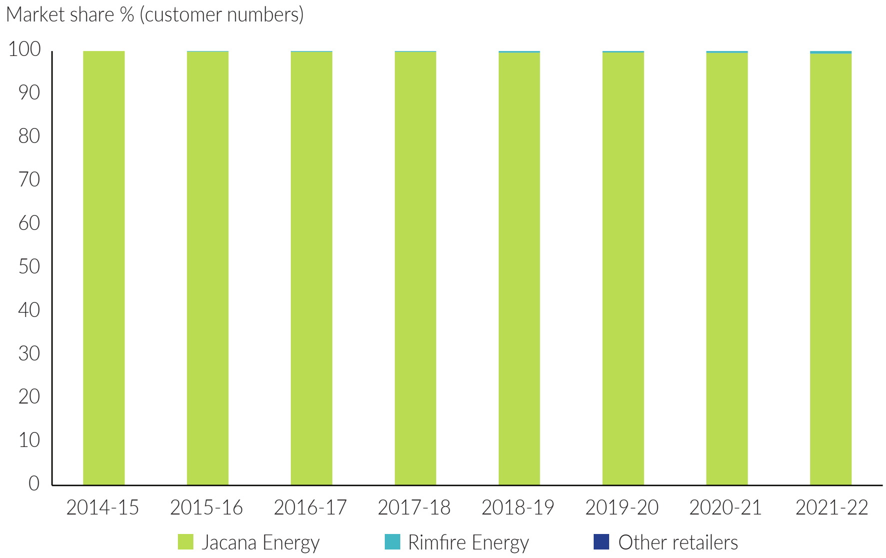
8 Register of electricity licences and exemptions: https://utilicom.nt.gov.au/electricity/licences/register-of-electricity-licences-and-exemptions.

Retail competition

Historically, retail competition in the Territory's electricity retail market has been limited, with the market dominated by government entities (including Jacana Energy from 1 July 2014, following the structural separation of Power and Water Corporation (PWC)). Competition in the Territory's electricity retail market continued to be limited in 2021-22.

While full retail contestability in the Territory was achieved in 2010, and there were up to five electricity retailers licensed to sell electricity to all customers in the Darwin-Katherine, Alice Springs and Tennant Creek regions during 2021-22, Jacana Energy, the government-owned retailer, remains the dominant market participant. This is particularly apparent in the small customer segment of the market, where Jacana Energy has close to 100% market share. Figure 1 shows the market share (based on customer numbers) of Jacana Energy, Rimfire Energy and other retailers in the small customer market (customers with annual consumption less than 160 MWh).

Figure 1: Market share of retailers by customer numbers for customers consuming < 160 MWh per annum

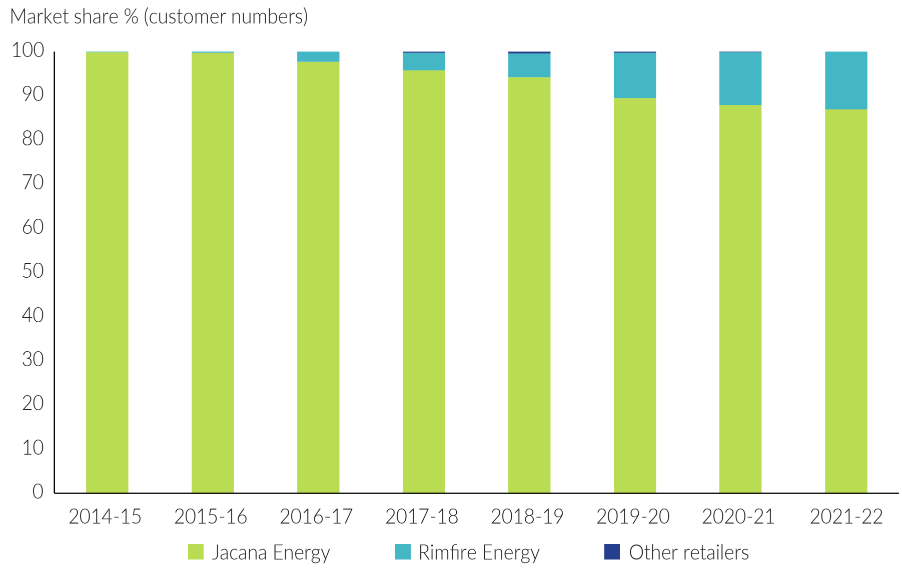


Despite retail competition for small customers in the Territory remaining limited, the 2021-22 market share of retailers other than Jacana Energy in the small customer market increased to the highest level observed in the last eight years, continuing the trend of growth observed in the 2020-21 NTERR. Nonetheless, and as visually demonstrated in Figure 1, Jacana Energy continues to service the majority of small customers.

Rimfire Energy, the most active alternative electricity retailer to Jacana Energy operating in the Territory, continued to show interest in competing for small customers in 2021-22, with the number of small customers serviced by Rimfire Energy increasing by about 50% relative to 2020-21. The Commission discussed in previous NTERRs Rimfire Energy's transition from explicitly stating on its website in 2017-18 that it was only selling to customers consuming more than 750 MWh per annum and a select group of small customers, to more actively competing for small customers. Rimfire Energy continues to provide competitive pricing for small customers, including a 'pay-on-time discount', a higher solar feed-in tariff than Jacana Energy and (in certain circumstances) a 'premium' solar feed-in tariff. The Commission considers it positive that small customers are benefitting from increased retail competition and associated competitive offerings.

Figure 2 shows the market share (based on customer numbers) of Jacana Energy, Rimfire Energy and other retailers in the 160 to 750 MWh per annum customer market.

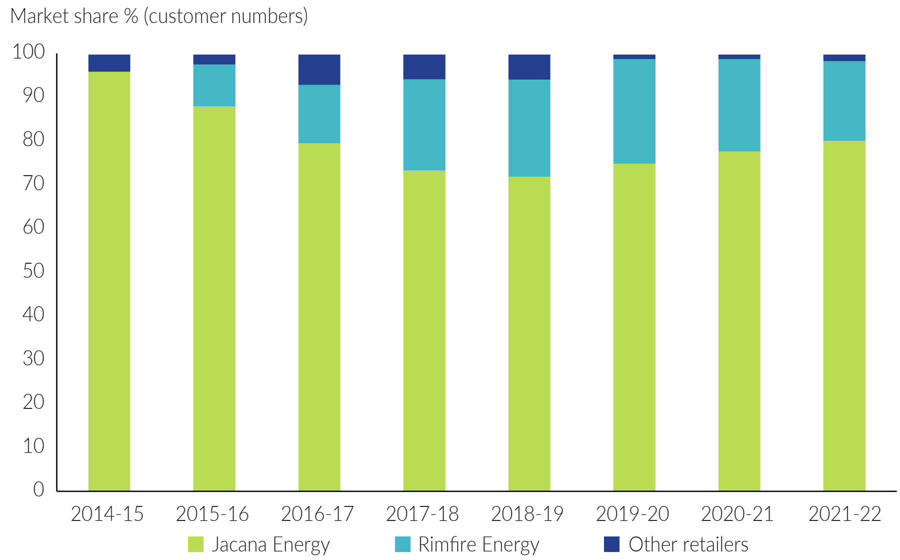
Figure 2: Market share of retailers by customer numbers for customers consuming 160 to 750 MWh per annum



The market share of retailers other than Jacana Energy for customers consuming between 160 to 750 MWh per annum increased in 2021-22 by a percentage point to about 13% (Figure 2), which continued a trend of year-on-year growth from 2014-15.

Figure 3 shows the market share (based on customer numbers) of Jacana Energy, Rimfire Energy and other retailers in the large customer market.

Figure 3: Market share of retailers by customer numbers for customers consuming > 750 MWh per annum



In contrast with the markets for small customers and customers consuming between 160 and 750 MWh per annum, the market for large customers (consuming more than 750 MWh per annum) saw a reduction in the market share of retailers other than Jacana Energy. Figure 3 shows that in the past year, there was a decrease of 2.4 percentage points in the market share of retailers other than Jacana Energy for large customers, to about 20%. This continues a trend whereby the market share for retailers other than Jacana Energy in the large customer market has declined year-on-year since 2018-19, when it peaked at about 28%. Despite this trend, the market for large customers remains the market with the greatest level of competition in the Territory. The Commission notes this segment of the electricity retail market contains relatively few customers, therefore any change in large customer numbers for a retailer can result in a significant percentage change in its market share (as measured by number of customers).

In the Darwin-Katherine, Alice Springs and Tennant Creek regions, only 0.2% of customers consume more than 750 MWh of electricity per annum and are therefore not charged in accordance with the Electricity Pricing Order. These large customers have traditionally been the focus of retail competition in the Territory as retailers are able to negotiate contractual terms, including price, without being limited by the Electricity Pricing Order tariffs.

Electricity costs and potential barriers to retail competition

The Commission has discussed in previous NTERRs a number of potential barriers to retail competition in the small customer market historically contributing to private retailers' lack of interest in targeting small customers. These potential barriers include the Territory Government's uniform tariff policy that regulates the maximum tariff retailers can charge relevant customers and the requirement for customers to have an interval meter to change retailers[9]. These potential barriers remained in 2021-22 and are discussed below.

Territory Government uniform tariff policy

In relation to the uniform tariff policy, consistent with previous governments, the Territory Government has a policy that all residential and small to medium-sized business electricity customers (customers consuming less than 750 MWh per annum) pay the same maximum electricity prices regardless of where they are located in the Territory. The uniform tariff policy is implemented through an Electricity Pricing Order[10] made by the Treasurer pursuant to section 44 of the ER Act.

The Commission notes that while the government is seeking to insulate consumers from having to pay for the high cost of supplying electricity in the Territory, regulating electricity prices through the Electricity Pricing Order may be negating efficient market outcomes by distorting price signals, discouraging energy efficiency and contributing to higher overall costs. Further, the Territory's electricity price regulation, with its application to customers consuming up to 750 MWh per annum, is out of step with all other Australian jurisdictions.

9 As required by clause 5 of the Northern Territory Electricity Retail Supply Code.

10 2021-22 Electricity Pricing Order: https://utilicom.nt.gov.au/__data/assets/pdf_file/0012/1020027/Electricity-Pricing-Order-1-July-2021-30-June-2022.pdf.

As noted in previous NTERRs, Queensland is the only other jurisdiction that regulates prices for customers with consumption greater than 160 MWh, whereby certain large business customers (with consumption greater than 100 MWh) in regional communities outside south-east Queensland (customers in south-east Queensland pay cost-reflective tariffs) are able to access regulated electricity tariffs under legacy arrangements provided they are and remain customers of Ergon Energy[11].

Regulating prices for customers up to 750 MWh per annum in the Territory appears to result in a number of large commercial customers receiving below-cost reflective prices. Specifically, in 2021-22 there were about 750 customers that consumed between 160 and 750 MWh per annum and received a regulated taxpayer-subsidised tariff. These customers consumed about 15% of total electricity sold by retailers in the Darwin-Katherine, Alice Springs and Tennant Creek regions.

The Commission has discussed in previous NTERRs that the Territory's regulated electricity prices present a barrier to competition in the electricity retail market, as the maximum regulated tariffs provided in the Electricity Pricing Order appear to be set below the cost of supply across the Territory, making it, in principle, uneconomical for retailers to supply electricity to price-regulated customers.

The Territory government provides CSO funding to address the shortfall between the cost of supply and the maximum regulated electricity tariffs for residential and business customers consuming below 750 MWh per annum in the Darwin-Katherine, Alice Springs and Tennant Creek networks, and minor centres in the Territory.

The Territory Government's revised budget included $91.7 million for CSO funding to electricity retailers in 2021-22. This was an increase of about $12 million or 15%, relative to 2020-21, and equated to about 1.2% of the Territory's budgeted 2021-22 general government sector operating expenses ($7,592 million).[12] In simplistic terms, this translates to an average subsidy of about $1,076 per customer in the Darwin-Katherine, Alice Springs and Tennant Creek networks, which is an increase of about $141 (or 15%) per customer relative to the previous year.

In remote areas outside of the Darwin-Katherine, Alice Springs and Tennant Creek networks, and minor centres, the shortfall between the cost of supply and regulated tariffs is funded separately through the Indigenous Essential Services grant.[13] The Northern Territory Concession Scheme provides a further subsidy to eligible pensioners and carers, with $10.25 million provided to Jacana Energy in 2021-22[14].

The Commission discussed in previous NTERRs that the Territory's budget papers only provide high level details about the Territory Government's CSO payment to electricity retailers associated with the provision of regulated electricity tariffs. The uniform tariff CSO lacks transparency for customers who are unaware of the level of subsidy they are receiving for electricity supply, and for potential market participants who are unaware of how the government calculates and makes available the payment to retailers.

11 Business Queensland – Electricity Prices: https://www.business.qld.gov.au/running-business/energy-business/energy-pricing/electricity-prices.

12 Northern Territory Government, Agency Budget Statements, 2022-23 Budget Paper No. 3, page 212: https://budget.nt.gov.au/__data/assets/pdf_file/0011/1103024/2022-23-bp3-book.pdf and Budget Strategy Outlook 2022-23, Budget Paper No. 2, page 100: https://budget.nt.gov.au/__data/assets/pdf_file/0010/1103023/2022-23-bp2-book.pdf.

13 $80.7 million in 2021-22 for the provision of electricity, water and sewerage in 72 remote communities: 2022-23 Budget Paper No. 3, page 155: https://budget.nt.gov.au/__data/assets/pdf_file/0011/1103024/2022-23-bp3-book.pdf.

14 Northern Territory Government, Agency Budget Statements, 2022-23, Budget Paper No. 3, page 212: https://budget.nt.gov.au/__data/assets/pdf_file/0011/1103024/2022-23-bp3-book.pdf.

While the regulated electricity tariffs in the Territory may present a barrier to retail competition, the Commission acknowledges that regulating the maximum electricity tariffs under the Electricity Pricing Order provides benefits to consumers, including insulating them from increasing electricity prices, as seen recently in other jurisdictions. The AER discussed in its 2021-22 Annual Retail Markets Report (Retail Report)[15] that customers in the National Electricity Market (NEM) have faced higher electricity retail prices following inflation in wholesale electricity markets.

While residential and small business customers in the Territory are protected from higher electricity prices resulting from any potential inflationary pressures in the Territory's electricity industry, the Commission notes any increase in the cost of wholesale electricity or any other component of electricity supply in the Territory will have an associated impact on the CSO.

Interval meters

Submissions from retailers to the Commission's ERS Code Review[16], including Rimfire Energy and QEnergy Limited, highlighted the restriction on the transfer of customers without an interval meter poses a barrier to retail competition as the cost of installing an interval meter may be prohibitive to some customers. The Commission understands if a customer has an accumulation meter, the cost of replacing it with an interval meter (often referred to as a smart meter) is about $600[17], noting this does not include the cost of any additional works, which may be required in some circumstances.

The Commission agrees the requirement for a customer to have an interval meter in order to transfer retailer may be a barrier to competition, however notes the continuing requirement for an interval meter is due to PWC's inability to accommodate the transfer of customers without implementing a complex and expensive settlement system (the implementation costs of which would ultimately be borne by customers or taxpayers through network charges).

Relevantly, a draft decision in the Commission's current ERS Code Review retains the requirement for an interval meter to transfer retailer, noting the costs associated with removing the requirement would likely exceed the benefits.

The Commission encourages PWC to consider a potential solution, given the current situation favours Jacana Energy and is primarily due to PWC's ongoing system limitations, noting PWC is already receiving funding (revenue through its network charges) to cover the costs of providing smart meters under its new and replacement smart meter program.

15 AER 2021-22 Annual Retail Markets Report: https://www.aer.gov.au/system/files/Annual%20Retail%20Market%20Report%2020-21-22%20-%2030%20November%202022_3.pdf.

16 Electricity Retail Supply Code Review: https://utilicom.nt.gov.au/projects/projects/electricity-retail-supply-code-review2.

17 PWC 2020-21 approved alternative control service fee-based and quoted services: https://www.powerwater.com.au/__data/assets/pdf_file/0024/46293/Power-and-Water-Corporation-Alternative-Control-Service-Fee-Based-and-Quoted-services-2020-21.pdf.

Nonetheless, under the new and replacement smart meter program, the Commission expects there will be a steady increase in the number of customers with interval (or smart) meters, installed under PWC's new and replacement smart meter program[18], who are not discouraged from switching due to the cost of upgrading their meter. PWC indicated to the Commission that about 8,000 smart meters have been installed under the program as at 30 June 2022, with an additional 21,000 smart meters to be installed between July 2022 and June 2024 under the current regulatory period funding. The Commission understands there are about 24,000 smart meters currently installed in the Darwin-Katherine, Alice Springs and Tennant Creek networks, representing about 23% of total meters on the access-regulated networks.

The Commission understands the majority of residential customers that have switched to an interval (or smart) meter to date have done so in order to connect a rooftop solar photovoltaic (PV) system to the network rather than to change retailer. Government incentives, including the Northern Territory Government's Home and Business Battery Scheme[19], continue to provide an incentive for consumers to install rooftop solar PV infrastructure and consequently install an interval meter in place of an accumulation meter. Customers that have replaced their accumulation meter with an interval meter for the purpose of installing solar PV infrastructure will be able to transfer retailer as they consider appropriate without the barrier of additional cost.

Further, noting the Territory Government's decision to change all customers who were previously receiving Jacana Energy's premium solar feed-in tariff (26.65 cents per kWh) for four years or more to the standard feed-in tariff (9.13 cents per kWh) from 1 July 2022, customers who have already installed rooftop solar PV may be more inclined to contract with a retailer other than Jacana Energy. As solar feed-in tariffs are not regulated, retailers are potentially able to engage in some level of price-competition in relation to solar feed-in tariff products. Notably, Rimfire Energy continued to offer a higher standard solar feed-in tariff relative to Jacana Energy during 2021-22, and a 'premium' one-for-one solar feed-in tariff in certain circumstances.

18 Approved by the AER as part of its approval of PWC's 2019-24 Distribution Determination: https://www.aer.gov.au/system/files/AER%20-%20Power%20%26%20Water%20Corporation%202019-24%20-%20Distribution%20determination%20-%20Final%20decision%20-%20Overview%20-%20April%202019.pdf

19 Home and Business Battery Scheme: https://nt.gov.au/industry/business-grants-funding/home-and-business-battery-scheme.

2| Retail performance

This chapter considers the performance of retailers providing services to residential and small business electricity customers (customers consuming less than 160 MWh per annum) and focuses on:

- telephone responsiveness
- complaints by type and retailer.

Further, at a high level, this chapter discusses the Commission's views in relation to gaps in dispute resolution obligations for electricity retailers.

The Commission notes the EIP Code only requires retailers to report to the Commission on customers consuming less than 160 MWh per annum. Accordingly, information on performance for large customers is not included in this chapter.

Customer service

Electricity retailers are typically a customer's first point of contact for electricity matters. An electricity customer may need to contact their retailer for a number of reasons, including to query a bill, change payment arrangements or make a complaint.

Customer service provided by retailers is the main interaction between customers and the electricity market. Measuring the quality of customer services provided by retailers is therefore important from a regulatory perspective, to ensure customers are afforded a satisfactory level of service for the price they pay. This is particularly important in the context of the Territory, given the limited amount of retail competition. One indication of customer service is a retailer's telephone responsiveness (Table 2), measured through total calls received, calls taken within 30 seconds and calls abandoned before being answered.

Table 2: Retailers' telephone responsiveness

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Total calls						
Jacana Energy	151 000	153 172	182 014	168 220	137 794	116 220
Change[1]	+ 5 889	+ 2 172	+ 28 842	- 13 794	- 30 426	- 21 574
Change (%)[2]	+ 4.1	+ 1.4	+ 18.8	- 7.6	- 18.1	- 15.7
Rimfire Energy	n/a	3	17	156	438	601
Change[1]	n/a	+ 3	+ 14	+ 139	+ 282	+ 163
Change (%)[2]			+ 466.7	+ 817.6	+ 180.8	+ 37.2
Calls forwarded to an operator within 30 seconds						
Jacana Energy (%)	69.3	63.9	66.7	64.1	66.3	42.0
Rimfire Energy (%)[3]	n/a	n/a	n/a	n/a	70.5	87.7
Calls abandoned before being answered by an operator						
Jacana Energy (%)	4.2	4.7	4.1	4.4	3.7	10.3
Rimfire Energy (%)[3]	n/a	n/a	n/a	n/a	14.6	12.3

n/a: not applicable

1 Change in number of calls from previous year.

2 Percentage change in number of calls from previous year.

3 Prior to 2020-21, Rimfire Energy did not have a call centre or integrated voice response telephone system and therefore was unable to track and report against 'calls taken within 30 seconds' and 'calls abandoned before being answered' performance indicators, as required under the EIP Code. In 2020-21, Rimfire Energy resolved this issue through systems upgrades.

The Commission considers that peaks and troughs in the total number of calls received by a retailer may provide an indication of customer satisfaction with the retailer. While customers will need to contact retailers for routine matters, such as arranging a new connection or paying a bill, customers experiencing issues will need to contact retailers beyond the extent that is routine in an attempt to have these issues resolved, and therefore a peak in inbound customer calls may indicate issues with a retailer's customer service. However, variability in the number of inbound calls received by retailers, and customers' satisfaction with retailers, can also be influenced by external factors beyond a retailer's control, such as weather events and COVID-19, and therefore the wider context of changes need to be considered.

In 2021-22, the total number of customer calls received by Jacana Energy decreased by 21,574 calls, a reduction of about 16%. In contrast, calls to Rimfire Energy increased by 37%, noting the volume of total calls to Rimfire Energy remains relatively low.

Jacana Energy advised the Commission that it continued a strategy of proactive customer contact processes relating to payment arrangements and hardship support in 2021-22, which may have contributed to the reduction in inbound calls observed during the year. This continues a trend of reduced inbound call volume following the implementation of this strategy in 2019-20. Despite the reduction in the number of inbound calls, Jacana Energy has indicated to the Commission that total interaction volumes (inbound and outbound across all channels) were similar to previous years.

Rimfire Energy's increase in the total number of inbound calls in 2021-22 continues a trend whereby the number of inbound calls received has increased year-on-year since 2017-18. While this trend is likely (in part) to be linked to growth in the number of small customers serviced by Rimfire Energy, Rimfire Energy indicated to the Commission that the increase in inbound calls in 2021-22 is related to increased interest from customers with installed solar PV who were previously receiving Jacana Energy's premium solar feed-in tariff. Following the Territory Government's decision to remove Jacana Energy's premium solar feed-in tariff from customers that had been receiving it for four years or more, Rimfire Energy indicated to the Commission it observed an increase in potential customers seeking to access its higher (relative to Jacana Energy) standard solar feed-in tariff.

In terms of the percentage of calls forwarded to an operator within 30 seconds and the percentage of calls abandoned before being answered by an operator, these performance indicators provide an indication of how long a customer has to wait to speak to their retailer and whether this wait is considered reasonable by a customer. While it may not always be reasonable for a customer to expect to speak to an operator within 30 seconds, the Commission considers it is reasonable to expect a customer's call to be answered before the point where a customer feels the need to abandon their attempt to speak to the retailer. Calls abandoned may cause distress to customers and result in issues being unresolved, and therefore the Commission is particularly concerned with any deterioration in performance in relation to the percentage of calls abandoned before being answered by the operator.

The AER uses a rating system in its 2021-22 Retail Report[20] to provide an overview of retailer performance against the call centre responsiveness-related indicators. The 2021-22 Retail Report updated a 'traffic light' system used in previous retail reports, and now includes three categories: 'best' (80% or more calls taken within 30 seconds and 5% or less calls abandoned), 'within range' (79% to 51% of calls taken within 30 seconds and 6% to 9% of calls abandoned), and 'poor' (50% or less calls answered within 30 seconds and 10% or more calls abandoned). In 2021-22, retailers in NECF jurisdictions on average achieved a level of performance equating to the lower end of the 'within range' category, with 53% of calls answered within 30 seconds and 9% of calls abandoned. This was a deterioration of performance relative to 2020-21 of 10 percentage points in the calls answered indicator and two percentage points in the calls abandoned indicator[21].

Jacana Energy's performance against both customer service indicators deteriorated significantly in 2021-22, and equates to a 'poor' rating against the AER's rating system. Jacana Energy's performance in terms of the percentage of calls forwarded to an operator within 30 seconds decreased by 24.3 percentage points relative to 2020-21, with 42% of total calls answered within 30 seconds in 2021-22. The percentage of calls abandoned increased by 6.6 percentage points relative to 2020-21, with 10.3% of total calls abandoned in 2021-22.

The deterioration in Jacana Energy's performance against the customer service indicators is concerning, particularly the significant increase in the percentage of calls abandoned, noting the number of calls abandoned in 2021-22 was the highest reported in the last six years (and for all years the Commission has performance data). Jacana Energy indicated to the Commission that the deterioration in performance against these indicators is largely due to resourcing impacts associated with COVID-19 and the seasonal flu, which impacted Jacana Energy's call centre resourcing.

Jacana Energy advised the Commission that a service recovery plan is in progress with the intention of driving improvements in 2022-23, including the introduction of a phone triage model from August 2022, which focusses on answering customers' calls quickly, assessing customers' needs and providing options regarding the easiest way to service their enquiry, including using an online channel or speaking with a customer care agent. Further, Jacana Energy indicated it has commenced the development of a forecasting model that considers the changing nature of the contact centre following the introduction and uptake of additional channels, including MyAccount (online self-service platform) and Facebook messenger, which it says will allow for improved resourcing and rostering, as well as improved real-time management strategies when service may not be met at various levels. In the longer term, Jacana Energy has advised that service recovery will be supported by improved recruitment and channel management strategies.

The Commission will closely monitor Jacana Energy's customer service-related performance indicators in subsequent reporting periods to ensure its various strategies are effective in improving its customer service to levels more consistent with historical performance.

20 AER 2021-22 Annual Retail Markets Report: https://www.aer.gov.au/system/files/Annual%20Retail%20Market%20Report%2020-21-22%20-%2030%20November%202022_3.pdf.

21 Calculated from AER Retail energy market performance update for quarter 4, 2021-22: https://www.aer.gov.au/retail-markets/performance-reporting/retail-energy-market-performance-update-for-quarter-4-2021%E2%80%9322.

The Commission discussed in the 2020-21 NTERR that system upgrades had enabled Rimfire Energy to report against the calls answered within 30 seconds and calls abandoned indicators for the first time in the 2020-21 reporting period. While the Commission does not have sufficient data to identify trends in Rimfire Energy's customer service performance, Rimfire Energy's performance in calls answered within 30 seconds improved in 2021-22. Rimfire Energy achieved a 'best' performance rating with 87.7% of total inbound calls answered within 30 seconds in 2021-22, an improvement of 17.1 percentage points relative to 2020-21.

Rimfire Energy's performance in the calls abandoned indicator also improved in 2021-22 relative to 2020-21, with 12.3% of total inbound calls abandoned, an improvement of 2.3 percentage points. While it is positive to see improvement, this continues to equate to a 'poor' level of performance against the AER's rating system. The Commission notes the relatively high percentage of calls abandoned is impacted by the relatively low number of total calls received by Rimfire Energy, whereby small movements in the total number of calls abandoned can cause relatively large percentage movements.

Further, Rimfire Energy advised the Commission its reporting against the calls abandoned indicator includes calls received by Rimire Energy's call centre outside of business hours, and therefore the number of calls abandoned is likely overstated compared with other retailers reporting. Rimfire Energy indicated it will exclude calls received outside of business hours in future reporting.

The Commission continues to acknowledge it is not appropriate to rely on telephone responsiveness alone in assessing the level of a retailer's customer service, however is limited by the data it receives in accordance with the reporting requirements of the EIP Code. Accordingly, the Commission will consider the benefits and costs of expanding the data retailers are required to report in relation to customer service performance indicators in the future as part of its staged review of the EIP Code[22]. This will be undertaken in consultation with retailers and other stakeholders.

Complaints

In accordance with the EIP Code, complaints are recorded and categorised by retailers as billing, marketing, transfers, hardship and other. These categories and associated definitions are largely consistent with those adopted by the AER[23] for the following:

- billing – includes complaints about prices, billing errors, payment arrangements, debt recovery practices and disconnections
- marketing – includes complaints about sales practices, advertising, contract terms and misleading conduct
- transfers – includes complaints about timeliness of transfer, disruption of supply due to transfer and billing problems directly associated with a transfer
- other – includes complaints about customer service, privacy issues, failure to respond to complaints, and health and safety issues.

22 EIP Code Review Issues Paper: https://utilicom.nt.gov.au/publications/approvals-decisions-and-determinations/issues-paper-electricity-industry-performance-code-review.

23 AER (Retail Law) Performance Reporting Procedures and Guidelines: https://www.aer.gov.au/retail-markets/guidelines-reviews/aer-retail-law-performance-reporting-procedures-and-guidelines.

The remaining category, hardship, is a Territory-specific reporting category included in the EIP Code and refers to complaints associated with customer hardship measures.

Customer complaints as a percentage of total customers for all retailers supplying small customers in the Territory for the last six years is shown in Figure 4, segmented by complaint category.

Figure 4: Customer complaints as a percentage of total small customers, further segmented by category

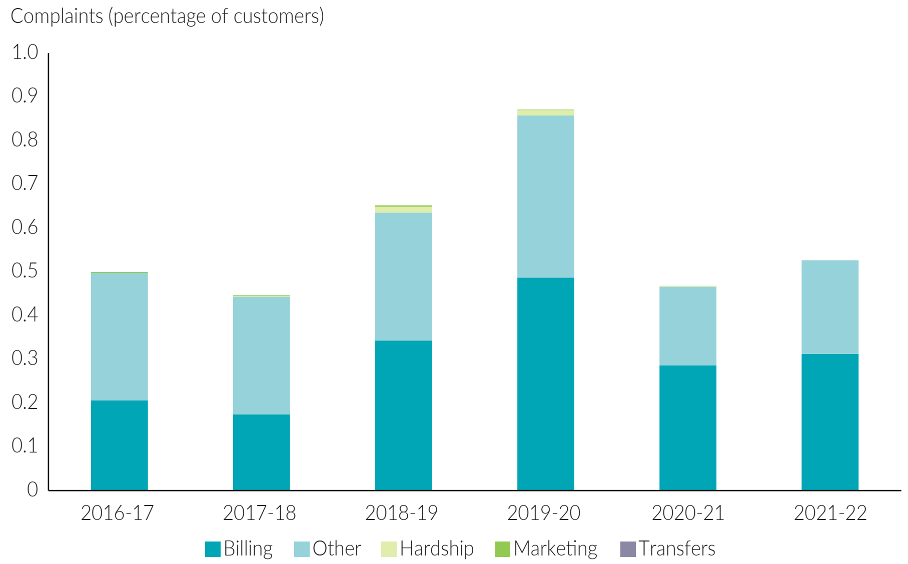


Figure 4 shows customer complaints as a percentage of total customers in 2021-22, at 0.5%, have increased slightly relative to 2020-21 but remains below a high in 2019-20, when total customer complaints peaked at 0.9% of total customers. While there was only a slight increase in customer complaints as a percentage of total electricity customers, the total number of electricity customer complaints for all retailers in the Territory in 2021-22 increased by 12.7% relative to 2020-21. This increase was driven by slight increases in the billing and other complaints categories. Although it is not shown in Figure 4, the Commission notes the number of complaints in 2021-22 remains below the average of the previous five years (in both numerical terms and as a percentage of total small customers).

The Commission noted in previous NTERRs that hardship complaints generally make up a relatively low percentage of total complaints, however there was a relatively high number of hardship complaints in 2018-19 and 2019-20, followed by a reduced number of hardship complaints in 2020-21. In 2021-22 there were zero complaints reported in the hardship category, which the Commission considers is a positive result. This likely follows from improvements implemented to Jacana Energy's customer hardship processes from 2019-20, and continued provision of a support-oriented approach to Jacana Energy's reminder notices and collection processes, in light of COVID-19 impacts. The limited number of disconnections effected by Jacana Energy in 2021-22 (discussed further in the next chapter) may also be a factor contributing to no hardship complaints being reported and the low number of complaints in 2021-22 overall.

No complaints have been reported over the last five years in the transfers complaint category, noting this is not unexpected considering the low number of small customers in the Territory transferring to a retailer other than Jacana Energy.

While the level of customer complaints as a percentage of total customers in the Territory increased in 2021-22 relative to 2020-21 levels, the level remains low when compared with NECF jurisdictions, which on average had a level of complaints of 1.3% of total customers. The Commission considers it positive that the level of complaints in the Territory remains well below the NECF level, suggesting the performance of Territory retailers compares favourably with their interstate counterparts.

When comparing the Territory to the individual NECF jurisdictions in 2021-22, the Territory performed better than all of the NECF jurisdictions. Queensland was the best performing of the NECF jurisdictions, with 0.9% of customers complaining, while Tasmania continued to be the worst performing of the NECF jurisdictions with 3.2% of customers complaining. The Territory's level of customer complaints at 0.5% is notably better than any of the NECF jurisdictions and the NECF jurisdictions on average.

While customer complaints in the NECF jurisdictions include complaints related to gas as well as electricity, the Commission considers the benchmark fair and indicative of trends.

Noting the impacts of COVID-19 during 2021-22, including a Territory-wide snap lockdown in the first quarter, localised lockdowns and lockouts in the third quarter, and various restrictions throughout the year, it is encouraging to see this did not appear to translate into a significant decline in retailer performance in the Territory, as measured by customer complaints.

The total number of small customer complaints by retailer and approaches to the Ombudsman NT are shown in Table 3. As the Ombudsman NT can only deal with complaints regarding government entities, including government-owned electricity retailers, data is only reported for Jacana Energy in relation to this indicator.

Table 3: Total small customer complaints to retailers and approaches to Ombudsman NT[24]

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Complaints to retailer as a percentage of customers						
Jacana Energy (%)	0.5	0.5	0.7	0.9	0.5	0.5
Change (%)[1]	+ 31.4	- 5.5	+ 42.1	+ 35.2	- 45.9	+ 11.9
Rimfire Energy (%)	0.0	0.0	0.0	0.0	0.0	0.0[2]
Change (%)[1]	0.0	0.0	0.0	0.0	0.0	0.0
Approaches to the Ombudsman NT						
Jacana Energy	83	134	181	141	115	86
Change[3]	- 2	+ 51	+ 47	- 40	- 26	- 29
Change (%)	- 2.4	+ 61.4	+ 35.1	- 22.1	- 18.4	- 25.2
Approaches to the Ombudsman NT as a percentage of retail complaints						
Jacana Energy (%)	20.6	35.3	33.5	19.3	29.1	19.5
Change (ppt)[4]	- 7.1	+ 14.6	- 1.7	- 14.2	+ 9.8	- 9.7

1 Percentage change in total number of complaints to retailer from previous year.
2 Rimfire Energy had a rate of complaints of 0.004% in 2021-22, rounded down to 0% in Table 3.
3 Change in number of Ombudsman NT approaches from previous year.
4 Percentage point change from previous year.

24 Ombudsman NT 2021-22 Ombudsman Annual Report: https://www.ombudsman.nt.gov.au/publications.

Table 3 shows when complaints are segmented by retailer, the results shown in Figure 4 for the Territory overall are largely influenced by Jacana Energy's performance due to its majority share of residential and small business customers (as discussed in the previous chapter). For the first time in 2021-22, Rimfire Energy reported receiving a small number of customer complaints, all of which related to customer billing.

Table 3 shows the level of complaints to Jacana Energy as a percentage of customers was similar to that in 2020-21, despite an increase of 11.9% in the total number of complaints received. The Commission considers it positive that the number of complaints to Jacana Energy in 2021-22 remained well below the peak levels observed in 2019-20, with the number of complaints received in 2021-22 reduced by about 40% compared with 2019-20.

Jacana Energy indicated to the Commission that the main drivers of the increase in complaints to Jacana Energy in 2021-22 were a significant increase in delayed and estimated meter reads received from PWC in the third quarter as a result of COVID-19 impacts on PWC's metering services resourcing, the announcement of the solar feed-in tariff changes in May 2022, and lengthy phone wait times in the fourth quarter due to COVID-19-related resourcing impacts to Jacana Energy's call centre. The Commission notes that while the number of complaints received by Jacana Energy increased in 2021-22 compared with 2020-21, complaints as a percentage of customers is similar to the previous year and in line with lower levels seen in 2016-17 and 2017-18.

The Commission considers it positive that the number of Ombudsman NT approaches in relation to Jacana Energy complaints reduced in 2021-22 in both numerical terms and as a percentage of total Jacana Energy complaints. Compared with 2020-21, the number of Ombudsman NT approaches reduced by 25.2% in 2021-22. This is a promising result and may be driven by work undertaken by Jacana Energy to improve its complaints management processes in 2018-19 to encourage early resolution and ensure more difficult complaints are referred to an appropriate officer to investigate. Jacana Energy's more sympathetic approach towards debt collection during the past two years in light of COVID-19 is likely another factor contributing to this result.

While the number of Ombudsman NT approaches regarding Jacana Energy as a percentage of total complaints it received (19.5%) declined in 2021-22 relative to the previous year, this result remains relatively poor compared with NECF jurisdictions on average, where 15% of total complaints to retailers resulted in an approach to an ombudsman (jurisdictional equivalent)[25]. However, Jacana Energy's performance compares more favourably with the NECF jurisdictions individually, with only Tasmania (1.9%) and the Australian Capital Territory (11.3%) achieving a lower proportion of ombudsman approaches[26]. The Commission notes complaint-counting methodologies may vary by ombudsman, which can lead to variances based on the jurisdiction in which the customer base is located. However, the Commission considers this comparison still provides a fair indication of retailer performance.

25 AER 2021-22 Retail Report: https://www.aer.gov.au/retail-markets/performance-reporting/annual-retail-markets-report-2021%E2%80%9322.

26 Calculated from data in the AER 2021-22 Retail Report: https://www.aer.gov.au/retail-markets/performance-reporting/annual-retail-markets-report-2021%E2%80%9322.

The AER states that a high proportion of escalations to an ombudsman suggests a retailer may not be resolving complaints effectively while, conversely, a low proportion of complaints escalated to an ombudsman suggests a retailer may have a successful internal dispute resolution process. Consequently, the decrease in the proportion of complaints to Jacana Energy that resulted in an approach to the Ombudsman NT (from 29.1% to 19.5%) may reflect the changes to Jacana Energy's internal complaints resolution processes having a positive effect on its handling of customer complaints. This reasoning is supported by an increase in the total number of complaints to Jacana Energy in 2021-22 (of 11.9%) and a decrease in the total number of Ombudsman NT approaches in relation to Jacana Energy (of 25.2%) relative to the previous year, indicating complaints are being resolved before the customer feels the need to refer the complaint to the Ombudsman NT.

The Ombudsman NT's 2021-22 Annual Report indicates the largest number of approaches pertaining to Jacana Energy related to customers querying or seeking to remove listing with a credit agency (21 approaches). A number of approaches relating to credit listings is not unexpected, as Jacana Energy gradually returns to its usual credit management processes following greater levels of support during COVID-19 (2020 to 2022). The Ombudsman NT's 2021-22 Annual Report also notes a number of approaches relating to solar power (20 approaches), particularly the removal of Jacana Energy's premium one-for-one solar feed-in tariff (17 of the 20 approaches relating to solar power), which was a government policy decision and outside of Jacana Energy's control. Ombudsman NT approaches relating to excessive charges (17 approaches) were also one of the larger approach categories. The Ombudsman NT indicates the approaches relating to fees (including fees for connection, disconnection and administrative fees), issues with contacting Jacana Energy and billing (for example, a bill not received or sent to the wrong address) are not uncommon.

The Ombudsman NT's 2021-22 Annual Report indicates Jacana Energy's more sympathetic approach towards debt collection during the past two years (during COVID-19) has contributed to the reduction in approaches to the Ombudsman NT in 2021-22, observing that two approaches had been received in relation to a customer's financial hardship compared with 25 approaches in 2018-19. The Annual Report also notes Jacana Energy has implemented a triage system to answer a customer's simple queries quickly and provide the customer with the best advice on how to communicate with them in a timely manner on more complex enquiries.

The Ombudsman NT has discussed in a number of its annual reports that both PWC and Jacana Energy are heavily involved in the consumer experience in the Territory through their respective roles as network provider and retailer, and there are frequent occasions where a consumer must rely on both entities to work together to resolve a problem. Noting Jacana Energy's reliance on PWC to assist in resolving some customer issues, the Commission considers that approaches to the Ombudsman NT may be impacted by the performance of the network provider and therefore may not be an accurate representation of Jacana Energy's performance.

The Commission has discussed in previous NTERR's that Jacana Energy has expressed concern regarding the absence of standardised industry procedures and performance metrics around meter and customer data sharing between the network provider and retailer within the Territory. The Commission notes that in the Territory, metering data requirements are provided in Chapter 7A of the National Electricity Rules (Northern Territory). However, a significant number of obligations on the Territory's metering data provider do not apply until 1 January 2024. This timing includes a two-year extension actioned by the Territory Government in December 2021 through the National Electricity (Northern Territory) (National Uniform Legislation) (Modification) Amendment Regulations 2021. Nonetheless, some Chapter 7A provisions are currently in force, including a requirement for the metering data provider (PWC) to use its best endeavours to maximise the quality of metering data and transparency in processes for verifying, validating, calculating and estimating metering data.

The Ombudsman NT's 2021-22 Annual Report notes Jacana Energy has indicated it is working more closely with PWC to assist customers in dealing with their complaints. This may be another factor contributing to the reduced Ombudsman NT approaches relating to Jacana Energy complaints in 2021-22.

Dispute resolution

Through existing retail licence conditions, retail licensees must fix standard terms and conditions for the sale of electricity to their customers, which can include a dispute resolution process. However, there is no legislated obligation on retailers to have in place an internal or external dispute resolution process. Therefore, retailers are left to determine what is appropriate regarding the handling of disputes, which may not always be in the best interests of customers.

The Commission has a function under the *Utilities Commission Act 2000* to investigate and help resolve complaints relating to the conduct or operations of licensed entities under relevant industry legislation. In general, the Commission receives and investigates complaints from large customers and refers small customer complaints to the Ombudsman NT, noting the majority of residential and small business customers in the Territory are Jacana Energy customers, and the Ombudsman NT has jurisdiction to resolve complaints relating to government owned corporations, which includes Jacana Energy.

Further, in the Territory, Australian Consumer Law provides non-electricity industry-specific protections regarding safe goods, fair contracts and sound sales practices. This is administered by NT Consumer Affairs, an independent office within the Department of the Attorney-General and Justice.

Nationally, all state and territory jurisdictions except the Northern Territory place requirements on retailers to have internal and external dispute resolution processes. In New South Wales, Queensland, Tasmania, the Australian Capital Territory and South Australia, this is managed through the NECF. Victoria has largely harmonised the Victorian Energy Retail Code with the NECF. Western Australia manages customer protections within the Code of Conduct for the Supply of Electricity to Small Use Customers.

Retailers in these jurisdictions are generally required to develop, publish (via a website) and comply with a set of procedures consistent with Australian standards for handling residential and small business customer complaints and disputes. These procedures must be regularly reviewed and updated where necessary.

The Commission noted in previous editions of the NTERR that Jacana Energy has published a Complaints Policy[27] on its website, which includes information concerning how customers can submit a complaint. This is not currently mandatory in the Territory but is a requirement in NECF jurisdictions. The Commission considers it positive that Jacana Energy is taking steps to align itself with electricity industry best practice despite no formal obligation to do so.

The Commission discussed in the 2020-21 NTERR that it had sought stakeholder feedback through submissions to the ERS Code Review Issues Paper on whether the ERS Code should be amended to include internal dispute resolution obligations on retailers that are aligned with the requirements in the NERL. Feedback received from Territory electricity retailers was supportive of the measure. The Commission has since published its draft decision[28] and proposes to amend the ERS Code to include retailer and network provider internal dispute resolution obligations, generally consistent with the NERL but amended for the Territory's circumstances. The Commission's view is that putting in place obligations to have internal dispute resolution procedures in line with Australian standards and electricity industry best practice will help ensure customer interests are protected in the dispute resolution process. Further, there is benefit in the same dispute resolution requirements applying to all retailers and consequently all customers in the Territory. The Commission notes incorporating the NERL provisions into the ERS Code requires amendment to, among other things, account for there being no energy ombudsman in the Territory.

In jurisdictions other than the Territory, small customers have access to an external dispute resolution scheme, regardless of the ownership of the retailer, which ensures a customer has an independent means of escalating a complaint. This is provided through either a dedicated energy ombudsman, such as the Energy and Water Ombudsman of South Australia and the Energy and Water Ombudsman of Victoria, or in the case of Western Australia and Tasmania, a broader ombudsman scheme (compared with Ombudsman NT) that enables the provision of associated services to customers of all electricity retailers, regardless of ownership. Despite progress in addressing internal dispute resolution deficiencies through amending the ERS Code, the Commission considers that a gap remains whereby customers of a private electricity retailer in the Territory do not have recourse to an external dispute scheme.

However, in terms of addressing this gap, the Commission acknowledges establishing a dedicated electricity ombudsman or expanding the Ombudsman NT's remit to deal with customers of a private retailer would lead to increased costs, which would need to be funded by government (that is, taxpayers), the Territory electricity industry, or both, and as there is currently only a small number of customers supplied by private retailers, the costs may outweigh the benefits.

Nonetheless, it is important that appropriate external dispute resolution services are available to electricity customers, regardless of which retailer a household or business chooses. Accordingly, the Commission will continue to encourage the Territory Government to explore options to strengthen the external dispute resolution framework.

27 Jacana Energy Complaints Policy: Complaints Policy | Jacana Energy (corp.ntgov).

28 Draft Decision Paper – Electricity Retail Supply Code Review: https://utilicom.nt.gov.au/publications/reports-and-reviews/draft-decision-paper-electricity-retail-supply-code-review.

3| Payment difficulties and hardship

This chapter considers how retailers manage customers experiencing payment difficulties and financial hardship, and focuses on:

- debt level of customers
- customers on payment plans
- customers on a hardship program
- disconnections for non-payment
- prepayment meters.

This chapter also discusses at a high level the Commission's views in relation to gaps in hardship policy obligations for retailers.

The EIP Code only requires retailers to report to the Commission on customers consuming less than 160 MWh per annum. Accordingly, information on payment difficulties for large customers is not included in the NTERR.

Debt

The amount of energy bill debt is an indicator of the affordability of electricity and, to an extent, how effectively retailers are dealing with customers experiencing payment difficulties. Increasing or prolonged energy bill debt should be an indicator to a retailer that a customer may require assistance, such as being placed onto a payment plan or in more serious cases, a hardship program.

The EIP Code requires retailers in the Territory to report on the number of residential and small business customers with energy bill debt and the average energy bill debt of customers, with both indicators excluding hardship customers, which are reported separately. For the purpose of reporting against these performance indicators, energy bill debt is defined as debt outstanding for 90 days or longer from the date a bill is due.

The NTERR uses data reported by the AER in respect of NECF jurisdictions in its annual Retail Report as a benchmark for the performance of Territory retailers. The AER updated its energy bill debt methodology in its 2018-19 Retail Report to combine electricity and gas bill debt into a single energy bill debt, whereas in the Territory energy debt is limited to electricity. While this may have the potential to impact accurate comparisons between Territory retailers and NECF jurisdictions, the Commission considers comparisons are still fair and indicative of trends.

The AER's 2021-22 Retail Report uses data from the fourth quarter to show and compare performance, which may not allow meaningful or equitable comparisons to be made between jurisdictions due to seasonal variation. Therefore, the Commission has used the average across all four quarters for both the Territory and NECF jurisdictions to improve comparisons, including for previous reporting periods.

Residential customers

The percentage of residential customers with energy bill debt and the average of that debt, excluding hardship customers, is shown in Table 4.

Table 4: Level of residential customer debt in the Northern Territory (90 days or greater)

	2018-19	2019-20	2020-21	2021-22
Residential customers with debt (%)[1]	0.9	1.2	2.0	3.1
Change (%)[2]	- 47.4	+ 33.0	+ 69.9	+ 46.4
Average residential customer debt	$367.70	$743.21	$970.52	1 106.75
Change[3]	+ $16.48	+ $375.51	+ $227.31	+ 136.24
Change (%)[4]	+ 4.7	+ 102.1	+ 30.6	+ 14.0

1 Number of residential customers with energy bill debt as a percentage of total residential customers in the Territory.
2 Percentage change in number of residential customers with energy bill debt from the previous year.
3 Dollar change in average residential customer debt from previous year.
4 Percentage change in average residential customer energy bill debt from previous year.

The percentage of residential customers with energy bill debt in the Territory increased in 2021-22 relative to 2020-21, from 2% to 3.1%. The 1.1 percentage point growth in 2021-22 is the largest movement in the percentage of residential customers with debt in the last four years, noting data for this performance indicator prior to 2017-18 is unavailable. This continues a trend whereby the percentage of residential customers with energy bill debt in the Territory has increased year on year since 2018-19.

The 3.1% reported for the Territory in 2021-22 is relatively high compared with NECF jurisdictions overall (1.9%) and individually, with Tasmania the only jurisdiction with a higher percentage of residential customers with energy bill debt (3.9%). At the other end of the scale, the Australian Capital Territory had the lowest percentage of residential customers with debt in 2021-22, at 1.6%[29].

The number of residential customers with energy bill debt in the Territory, in numerical term grew substantially in 2021-22, with a 46.6% growth from 2020-21, continuing a trend whereby the number of residential customers with energy bill debt in the Territory has grown each year since 2018-19, with the largest rate of growth (69.9%) observed in 2020-21. In the 2020-21 NTERR, the Commission discussed that the growth in 2020-21 was likely due to the impacts of COVID-19 on the Territory economy and would likely continue in 2021-22.

The Commission observed in the 2020-21 NTERR that the average residential customer energy bill debt was higher than that observed in previous years and continued a trend of growing average residential customer energy bill debt since 2017-18. This trend continued in 2021-22 with the average residential customer energy bill debt in the Territory increasing by $136.24 (14%) to $1,106.75. Positively, the Commission notes the rate of growth in the average amount of residential customer energy bill debt has slowed relative to previous years, noting a large growth of 102.1% in 2019-20.

The 2021-22 result for average residential customer energy bill debt in the Territory at $1,106.75 is not materially different than the average reported for NECF jurisdictions overall ($1,046.17), however this is the first time a higher average residential customer energy bill debt result has been reported for the Territory, noting the obligation to report

29 Calculated from AER Retail energy market performance update for quarter 4, 2021-22: https://www.aer.gov.au/retail-markets/performance-reporting/retail-energy-market-performance-update-for-quarter-4-2021%E2%80%9322.

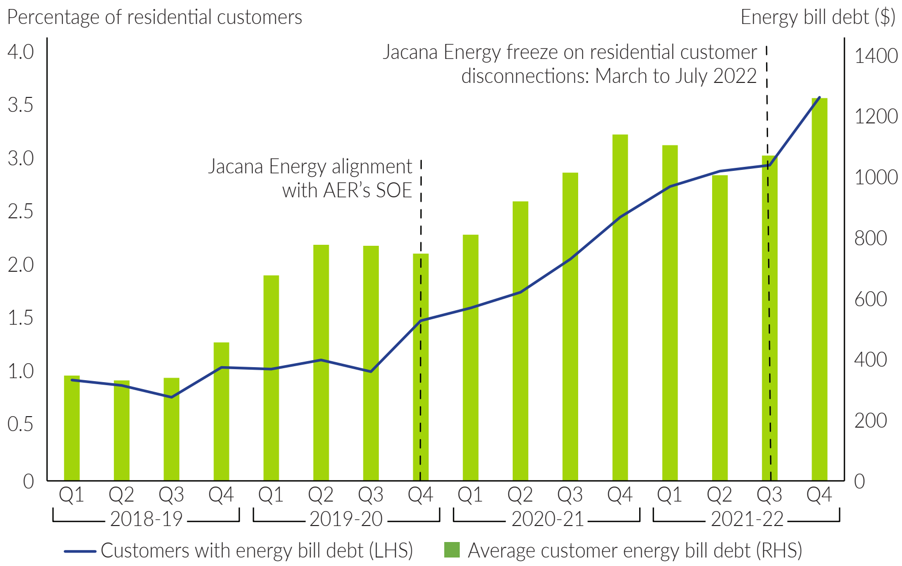
against this indicator only started under the EIP Code in 2017-18. When considering NECF jurisdictions individually, only South Australia and Tasmania reported a higher average residential customer energy bill debt than the Territory in 2021-22, of $1,306.40 and $1,177.75, respectively. The Australian Capital Territory had the lowest reported average residential customer debt, at $771.37[30].

While it is concerning the average residential customer energy bill debt in the Territory has continued to increase and is now higher than NECF jurisdictions on average, the Commission notes elevated levels of customer debt in the Territory are largely a continuation from the previous financial year, where Jacana Energy's alignment with the AER's SOE resulted in a deviation from its usual credit management processes, including a temporary freeze on residential customer disconnections for non-payment and delayed credit reporting referrals. This situation is also observed in NECF jurisdictions, where the average debt of residential customers in 2021-22 was slightly higher than the previous financial year, noting the average debt of residential customers in NECF jurisdictions in 2020-21 was relatively high compared with previous years.

Jacana Energy indicated to the Commission that it is focussed on addressing the debt backlog, although it continues to provide a support-oriented approach to collection processes since COVID-19 and is gradually returning to regular credit management processes.

As discussed in the 2020-21 NTERR, assessing retailer performance against residential customer debt indicators at the quarterly level provides for a more granular consideration of factors impacting retailer performance than an assessment of the annual figures alone. Accordingly, Figure 5 shows the percentage of non-hardship customers with energy bill debt and their average debt on a quarterly basis for the last four years, with Jacana Energy's alignment with the AER's SOE and freeze on residential customer disconnections following from a material breach of life support obligations in the ERS Code (discussed further in the Disconnections section of this chapter), highlighted.

Figure 5: Level of residential customer debt in the Northern Territory (90 days or greater), quarterly



30 Calculated from AER Retail energy market performance update for quarter 4, 2021-22: https://www.aer.gov.au/retail-markets/performance-reporting/retail-energy-market-performance-update-for-quarter-4-2021%E2%80%9322.

Figure 5 shows the percentage of residential customers with energy bill debt increased in each quarter of 2021-22, continuing a trend since the fourth quarter of 2019-20. This trend is likely due to the impacts of COVID-19, including impacts to some customers' financial positions, as well as Jacana Energy's more lenient approach toward debt collections in light of the pandemic.

Consistent with previous years, the fourth quarter of the year had the highest percentage of customers with energy bill debt during the 2021-22 reporting period (3.6%). This was the highest level seen at any time in the previous four years. The Commission has previously discussed that increased instances of debt in the fourth quarter is likely due to seasonal variation and a consequence of increased power consumption during the Territory's wet season, which is typically hotter and more humid than other times of the year.

Figure 5 shows the average energy bill debt of residential customers decreased in the first quarter of 2021-22 relative to the fourth quarter of 2020-21 and continued to decrease in the second quarter of 2021-22 before increasing in both the third and fourth quarter of 2021-22. The reduction in the average energy bill debt of residential customers in the first and second quarters of 2021-22 is likely attributed to government COVID pandemic support payments, some of which ended on 30 June 2022[31]. The Commission notes that despite the average customer debt reducing in these quarters, it remained relatively high compared with quarterly outcomes in previous years.

The Commission discussed in the 2020-21 NTERR that while it is positive that Jacana Energy proactively aligned its policies with the AER's SOE in an effort to assist customers facing COVID-19-related energy bill difficulties despite any requirement to do so, the Commission is concerned about the growth in the number of customers with energy bill debt and the average energy bill debt in 2020-21, as well as the future impacts this growth in debt may have on those customers when this support is withdrawn and on Jacana Energy's financial performance. With the expiry of the AER's SOE from 1 July 2022, the Commission understands that Jacana Energy gradually moved to reinstate regular credit management processes, but this was impacted by the freeze on residential customer disconnections from March 2022. Due to this, the Commission continues to be concerned about the high levels of residential customer debt and will continue to monitor the situation in the 2022-23 NTERR.

Small business customers

The percentage of small business customers with energy bill debt and the average of that debt is shown in Table 5.

Table 5: Level of small business customer debt in the Northern Territory (90 days or more)

	2018-19	2019-20	2020-21	2021-22
Small business customers with debt (%)[1]	1.4	3.7	2.5	1.9
Change (%)[2]	- 46.1	+ 121.6	- 32.6	+ 1.5
Average small business customer debt ($)	1 752.37	1 968.77	1 764.13	1 881.27
Change ($)[3]	+ 220.90	+ 216.39	- 204.64	+ 117.15
Change (%)[4]	+ 14.4	+ 12.3	- 10.4	+ 6.6

1 Number of small business customers with energy bill debt as a percentage of total small business customers in the Territory.
2 Percentage change in number of small business customers with energy bill debt from previous year.
3 Dollar change in average small business customer debt from previous year.
4 Percentage change in average small business customer energy bill debt from previous year.

31 Australian Government COVID-19 disaster payments: a quick guide: https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp2122/Quick_Guides/COVID-19DisasterPayments.

Unlike residential customers, the percentage of small business customers with energy bill debt in the Territory decreased by 0.6 percentage points in 2021-22 relative to 2020-21. This is a positive result for the Territory, particularly compared with NECF jurisdictions overall, where the percentage of small business customers with debt increased to 3.1% (this includes both electricity and gas). Compared with NECF jurisdictions individually, only Tasmania had a smaller percentage of small business customers with debt in 2021-22, with 1%, while New South Wales was the worst performing jurisdiction with 3.7%[32].

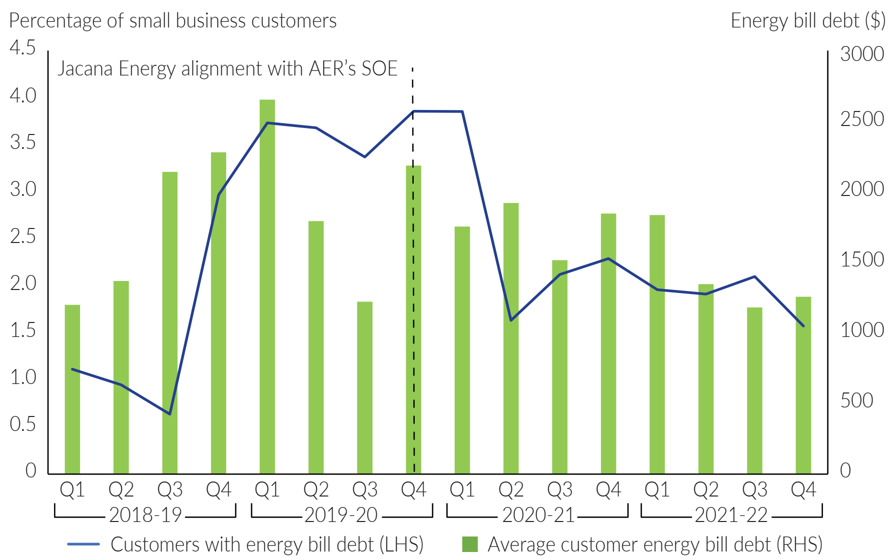
A factor driving the decrease in the percentage of small business customers with debt in the Territory in 2021-22 was a substantial increase in the total number of small business customers.

Despite the reduction in the percentage of small business customers with energy bill debt in the Territory in 2021-22, in numerical terms the number of small business customers with energy bill debt increased by 1.5%. The Commission does not consider this concerning, as the relatively small number of small business customers in the Territory means minor changes in the number of small business customers with debt can result in large percentage changes.

Table 5 shows that the average small business customer debt in the Territory increased by 6.6% ($117.15) to $1,881.27 in 2021-22. This is the second highest in the last five years, with a peak in 2019-20 at $1,968.77. The average small business customer energy bill debt in the Territory remains below the 2021-22 NECF average of $2,103.70, however compared with the NECF jurisdictions individually, only South Australia and New South Wales reported worse results than the Territory, with average debts of $2,058.11 and $2,297.54, respectively. The Australian Capital Territory was the best performing jurisdiction against this indicator, with an average small business customer debt of $1,339.06 in 2021-22.

Figure 6 presents the percentage of small business customers with energy bill debt and their average debt on a quarterly basis for the last four years, with Jacana Energy's alignment with the AER's SOE highlighted. Unlike Figure 5, Jacana Energy's freeze on residential customer disconnections is not presented here as it is not relevant to small business customers.

Figure 6: Level of small business customer debt (90 days or more), quarterly



32 Calculated from AER Retail energy market performance update for quarter 4, 2021-22: https://www.aer.gov.au/retail-markets/performance-reporting/retail-energy-market-performance-update-for-quarter-4-2021%E2%80%9322.

Figure 6 shows that there was not significant variation in the percentage of small business customers with energy bill debt in the Territory throughout 2021-22, despite COVID-19 and associated restrictions. The percentage of small business customers with energy bill debt in the Territory in 2021-22 peaked in the third quarter at 2.1% before reducing to 1.6% in the fourth quarter. This is likely due to the provision of business support, including support provided through the Territory Government's Business Hardship Package[33], which provided for a 30% reduction in regulated electricity tariffs for eligible customers from January 2022 to March 2022, amongst other support.

The first quarter of 2021-22 saw the highest average small business customer energy bill debt of 2021-22, $1,840.86. It does not appear that the Territory-wide lockdowns in the fourth quarter of 2020-21 and first quarter of 2021-22 had an impact on average small business customer debt, as it can be seen that the average small business customer debt remained stable following the first lockdown and reduced in the second quarter of 2021-22, following the second lockdown in August 2021.

Unlike residential customers, there is no clear trend in the number of small business customers with debt that can be observed across the four years shown in Figure 6. This variability may be a consequence of the relatively small number of small business customers in the Territory, noting jurisdictions with a lower number of business customers are likely to see a large effect on reported numbers and trends due to small fluctuations in the underlying data.

Payment plans

A payment plan is generally the first step in assisting a customer experiencing payment difficulties of a short-term nature, often stemming from a sudden or unexpected change in circumstances, such as a temporary job loss, unexpected repair bill or a minor illness. A payment plan is a standard approach that could be considered a 'one size fits all' solution as it does not necessarily consider a customer's circumstances on an individual basis.

As with debt, the AER's 2021-22 Retail Report uses data from the fourth quarter to show and compare performance, which may not allow meaningful or equitable comparisons to be made between jurisdictions due to seasonal variation. Therefore, the Commission has used the average across all four quarters for both the Territory and NECF jurisdictions' data to improve comparisons.

The percentage of residential customers on a payment plan, excluding hardship customers, is shown in Table 6.

33 Business Hardship Package: https://nt.gov.au/industry/business-grants-funding/business-hardship-register.

Table 6: Percentage of residential customers on a payment plan

	2018-19	2019-20	2020-21	2021-22
	%	%	%	%
Jacana Energy[1]	2.1	2.6	2.2	3.3
Change[2]	- 10.3	+ 32.6	- 14.1	+ 39.0
Rimfire Energy[1]	0.0	0.0	0.0	0.0
Change[2]	0.0	0.0	0.0	0.0
Territory[1]	2.1	2.6	2.2	3.3
Change[2]	- 10.3	+ 32.6	- 14.1	+ 39.0

1 Number of residential customers on a payment plan as a percentage of total residential customers in the Territory.
2 Percentage change in the number of residential customers on a payment plan from previous year.

The percentage of residential customers in the Territory on a payment plan in 2021-22 (3.3%) is higher than that reported by NECF jurisdictions on average (1.5%)[34], and notably higher than in previous years. The increase is likely due to Jacana Energy's continued provision of more accessible, flexible short and long term payment plans to customers due to credit management changes made to support customers in light of COVID-19. Jacana Energy indicated to the Commission that flexible, longer-term payment plan options continued to be offered to customers outside of its Stay Connected (hardship) program in recognition that, at times, customers with a larger debt may need additional time on a payment plan without requiring specific hardship support.

Jacana Energy indicated to the Commission that its reporting against payment plan indicators in previous years has included customers with payment plan arrangements of less than three instalments, contrary to EIP Code reporting requirements. While Jacana Energy corrected this issue in its 2021-22 reporting, a consequence of incorrect reporting is that payment plan indicators may be overstated for years prior to 2021-22. Further, Jacana Energy advised that it is unable to apply reporting improvements to data for previous years due to systems limitations, meaning the materiality of this reporting deficiency in previous years cannot be assessed. Noting Jacana Energy's payment plan reporting is overstated in previous years, the growth in the percentage of customers on a payment plan in 2021-22 is all the more striking.

Figure 7 shows the percentage of residential customers on a payment plan on a quarterly basis for the last four years, with Jacana Energy's alignment with the AER's SOE and freeze on residential customer disconnections highlighted. Figure 7 also presents Jacana Energy's payment plan indicator reporting in accordance with the previous (incorrect) method (inclusive of payment plans of less than three instalments) in each quarter of 2021-22.

34 Calculated from the AER Retail energy market performance update for quarter 4, 2021-22: https://www.aer.gov.au/retail-markets/performance-reporting/retail-energy-market-performance-update-for-quarter-4-2021%E2%80%9322.

Figure 7: Percentage of residential customers on a payment plan, quarterly

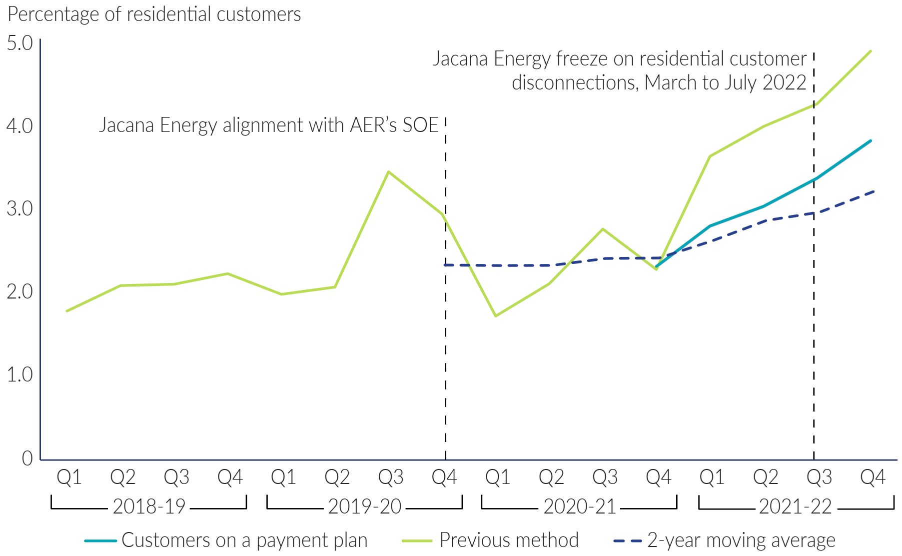


Figure 7 shows that the number of customers on a payment plan increased in each quarter of 2021-22, reaching the highest quarterly level seen in any of the previous four years during the fourth quarter of 2021-22 (3.9%). If payment plans of less than three instalments are included, consistent with reporting for previous years, the growth in the percentage of customers on a payment plan in each quarter of 2021-22 is even more significant, peaking at 4.9% in the fourth quarter. As reporting for previous years includes payment plans of less than three instalments, the percentage of customers on a payment plan in previous years is overstated relative to 2021-22, and the difference between the quarterly figures for 2021-22 indicates that this overstatement may be material.

The increase in the number of customers on a payment plan in each quarter of 2021-22 is likely due to elevated amounts of customer debt accrued in 2020-21 and the direct impacts of COVID-19, including Territory-wide lockdowns in the fourth quarter of 2020-21 and first quarter of 2021-22, and the Katherine lockdown and lockout in the Greater Darwin region during November 2021 (noting the three-month lag for the impact of any event to show in the data). As a customer being placed on a payment plan requires engagement with the customer's retailer, the Commission considers the high proportion of customers on a payment plan to be a positive indicator, demonstrating that Territory retailers, and particularly Jacana Energy, are engaging with customers to provide appropriate support.

Further, the increase in the number of customers on a payment plan can also be considered positive due to the relatively high levels of residential customer debt observed in 2020-21 and 2021-22. As the percentage of residential customers with energy bill debt and the average debt of residential customers has reached its highest level over the last five years (Table 4), the Commission would be concerned if there was not an associated increase in the number of customers on a payment plan, as this would indicate that retailers are not providing adequate support to customers experiencing payment difficulties.

Hardship programs

A hardship program is generally the next line of support for a customer overwhelmed by payment difficulties where a standard payment plan is not sufficient. It is generally appropriate for customers facing longer term and more entrenched financial difficulties, such as systemic budget management issues, or loss of income source due to a family death or serious illness.

A hardship program is ideally tailored to the individual customer and actively managed by the retailer. A hardship program should keep a customer engaged with their retailer and where possible strive to reduce debt and move a customer back to a 'regular bill cycle customer'.

As with debt and payment plans, the AER's 2021-22 Retail Report uses data from the fourth quarter to show and compare performance, which may not allow meaningful or equitable comparisons to be made between jurisdictions due to seasonal variation. Therefore, the Commission has used the average across all four quarters for both the Territory and NECF jurisdictions' data to improve any comparisons, including for the previous three years.

The percentage of residential customers on a hardship program by retailer and the Territory overall for the past four years is shown in Table 7.

Table 7: Residential customers on a hardship program

	2018-19	2019-20	2020-21	2021-22
	%	%	%	%
Jacana Energy[1]	0.3	0.7	1.0	0.9
Change[2]	+ 30.4	+ 146.8	+ 48.9	- 15.2
Rimfire Energy[1]	0.0	0.0	0.0	0.0
Change[2]	0.0	0.0	0.0	0.0
Territory[1]	0.3	0.7	1.0	0.9
Change[2]	+ 30.4	+ 146.8	+ 48.9	- 15.2

1 Number of residential customers on a retailer's hardship program as a percentage of total residential customers in the Territory.

2 Percentage change in number of residential customers on a retailer's hardship program from the previous year.

The percentage of small customers on a hardship program in the Territory declined slightly in 2021-22 relative to the previous year, with 0.9% of small customers in the Territory on a retailer's hardship program. This was a decrease of 0.1 percentage points or a 15.2% decrease in the number of customer's on a retailer's hardship program. This contrasts with NECF jurisdictions, where the AER reported the percentage of customers on a hardship program increased to 1.1%. Compared with NECF jurisdictions individually, the Territory, Queensland and the Australian Capital Territory are tied as the jurisdictions with the lowest percentage of customers on a hardship program in 2021-22, at 0.9%. This compares with Tasmania, the jurisdiction with the largest percentage of customers on a hardship program, at 1.8%[35].

35 Calculated from the AER Retail energy market performance update for quarter 4, 2021-22: https://www.aer.gov.au/retail-markets/performance-reporting/retail-energy-market-performance-update-for-quarter-4-2021%E2%80%9322.

Table 7 shows that the percentage of residential customers on a hardship program in the Territory is largely influenced by Jacana Energy, noting Jacana Energy has the vast majority of residential customers in the Territory. Jacana Energy indicated that fluctuations in the number of customers on the hardship program in 2021-22 are due to credit management changes made to support customers during COVID-19, including provision of additional flexible short and long-term payment plan options, recognising that at times customers with a larger debt may need additional support outside of that offered through Jacana Energy's Stay Connected program. The Commission notes that consistent with this advice, an increase in the percentage of customers on a payment plan is shown in Table 6.

Despite the level of customers on a hardship program in the Territory decreasing in 2021-22 relative to 2020-21, it remains relatively high compared with previous years. This is not unexpected, given the high levels of residential customer debt observed in both 2020-21 and 2021-22.

The relatively high level of customers on a hardship program in 2021-22 and 2020-21 can be considered positive as it indicates Jacana Energy is engaging with its customers experiencing payment difficulties and providing assistance where customers are identified as requiring hardship support. The high level of customers on a hardship program reflects the economic conditions in the Territory, and particularly COVID-19 impacts, rather than deficiencies in Jacana Energy's customer hardship processes. Jacana Energy's performance in relation to providing hardship support to relevant customers is reflected in no complaints being reported against the hardship complaints category in 2021-22, as discussed in the previous chapter.

Figure 8 shows the percentage of residential customers on a hardship program on a quarterly basis over the last four years, with Jacana Energy's alignment with the AER's SOE and freeze on disconnections for non-payment (following a material breach of life support obligations in the ERS Code) highlighted.

Figure 8: Residential customers on a hardship program, quarterly

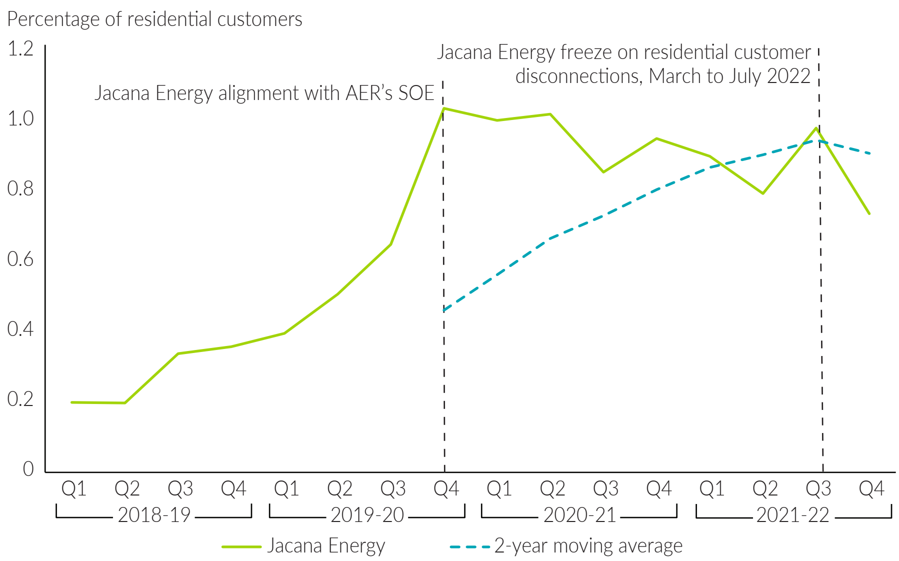


Figure 8 shows that the percentage of residential customers on a hardship program remained relatively high in each quarter of 2021-22 compared with previous years (prior to 2020-21). This is largely due to the impacts of COVID-19 on the Territory economy, and continues a trend whereby the percentage of residential customers on a hardship program was relatively high in each quarter of 2020-21. This trend is consistent with that observed in NECF jurisdictions, where the impacts of COVID-19, and increasing electricity retail prices, have seen increased levels of customer hardship in 2021-22.

Figure 8 shows that the percentage of customers on a hardship program increased in the third quarter of 2021-22, to 1%, coinciding with Jacana Energy's freeze on residential customer disconnections. This may indicate that customers who would otherwise be disconnected for non-payment were instead extended additional hardship support.

The average Jacana Energy residential customer energy bill debt on entry to a hardship program in 2021-22 was $1,919.54, a significant increase compared with 2020-21 ($1,152.94). The increased average debt on entry to the hardship program is consistent with residential customer debt indicators, noting residential customer energy bill debt (percentage of customers with debt and average debt) was relatively high in 2020-21 and is higher again in 2021-22.

Jacana Energy advised the Commission that it incorrectly reported against the debt on entry to a hardship program indicator for previous years, as the average of arrears for the total amount overdue rather than debt of 90 days or more. Consequently, the figures reported for previous years may overstate the average amount of debt on entry to a hardship program. This means that the growth in the average amount of debt on entry to a hardship program in 2021-22 relative to 2020-21 may be even greater, noting the amount of debt on entry to a hardship program in 2021-22 is relatively high in any case.

Jacana Energy indicated to the Commission that the high average debt on entry to Jacana Energy's hardship program is exacerbated by repeated Stay Connected plans, leading to higher debt on entry for subsequent plans for the same customer. While it is concerning that some customers are needing to access Jacana Energy's hardship program on multiple occasions, suggesting that the program may not be effective at reducing these customers' debt, Jacana Energy advised the Commission that this is a particular area of focus for 2022-23.

Figure 9 shows the distribution of debt levels on entry to a hardship program for Jacana Energy and NECF jurisdictions[36] in 2021-22.

36 AER Retail energy market performance update for quarter 4, 2021-22: https://www.aer.gov.au/retail-markets/performance-reporting/retail-energy-market-performance-update-for-quarter-4-2021%E2%80%9322.

Figure 9: 2021-22 debt on entry to a hardship program

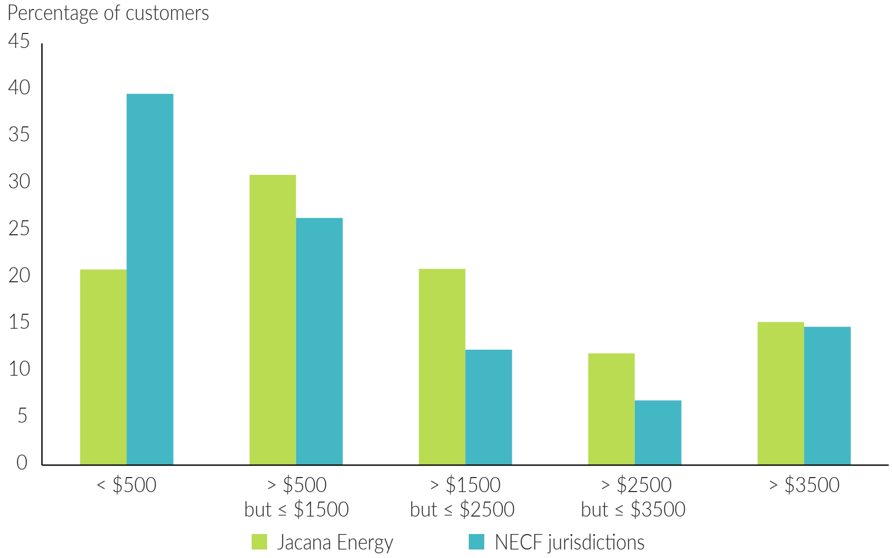


Figure 9 shows that Jacana Energy had a notably lower proportion of customers entering its hardship program with debts less than $500 compared with the NECF jurisdictions in 2021-22. Again, this may be a consequence of the continued provision of payment plan options outside of the hardship program structure, as well as instances where customers access the hardship program on multiple occasions, resulting in a higher debt on entry for subsequent plans, as discussed above. The higher debt on entry for customers on subsequent hardship plans may also be a contributing factor to the higher level of customers with hardship debts between $1,500 and $2,500 for Jacana Energy compared with NECF jurisdictions on average.

The average debt of a Jacana Energy customer in the hardship program in 2021-22 was $1,698.84. This is lower than the average Jacana Energy customer debt on entry to a hardship program ($1,919.54), indicating that Jacana Energy's hardship program has had some success in reducing the debt of hardship customers in 2021-22. This contrasts with 2020-21, where the ratio of average debt of hardship program customers and average debt upon entry to a hardship program was much closer. The average debt of a Jacana Energy customer in the hardship program in 2021-22 is significantly higher than the average Territory residential customer energy bill debt ($1,112.69). This reflects that hardship customers typically face longer-term, entrenched financial difficulties. The average debt of a Jacana Energy customer in the hardship program in 2021-22 compares favourably to NECF jurisdictions on average, where the average debt of hardship program customers was slightly higher at $1,735.31.

Jacana Energy reported 93.8% of its customers exiting its hardship program during 2021-22 did so due to being excluded or removed for non-compliance with the program, compared with 6.2% who exited due to successfully completing the program. This is a slight improvement compared with 2020-21, where 6% of customers exiting the hardship program successfully completed the program. Consistent with previous years, there were no customers reported to have exited a hardship program due to having switched, transferred or left the retailer. In comparison, the average reported for NECF jurisdictions was 53.4% of customers exiting a hardship program due to being excluded or removed, and 34.1% exiting due to successfully completing the program[37].

37 AER Retail energy market performance update for quarter 4, 2021-22: https://www.aer.gov.au/retail-markets/performance-reporting/retail-energy-market-performance-update-for-quarter-4-2021%E2%80%9322.

Consistent with 2020-21, Jacana Energy indicated to the Commission that the high level of customers exiting the hardship program due to being excluded or removed for non-compliance with the program is likely to be overstated due to limitations with Jacana Energy's retail operating system, which is currently unable to modify payment plans (including hardship plans) once established. This means where a payment plan is required to be amended (instalment amounts or frequency), any modification will result in a plan being cancelled and re-established. Jacana Energy advised the Commission it is exploring options to resolve this issue.

Jacana Energy indicated to the Commission that the low successful completion rate for the Stay Connected program is a particular area of focus for Jacana Energy in 2022-23. This includes a review of hardship processes to determine process improvements to improve outcomes, including early intervention, for example customer contact after the first missed instalment in order to prevent auto-cancellation arrangements. The Commission will continue to closely monitor Jacana Energy's hardship program-related performance indicators in future NTERRs.

Disconnections

In general, the Commission considers that disconnections for non-payment should be considered as a last resort and avoided where possible. Further, disconnection should only occur where a payment plan or hardship program has been unsuccessful.

Residential customers

The percentage of residential customers disconnected for non-payment in the last four years is shown in Table 8.

Table 8: Percentage of residential customers disconnected for non-payment

	2018-19	2019-20	2020-21	2021-22
	%	%	%	%
Jacana Energy[1]	3.5	1.7	0.0[2]	0.3
Change[3]	+ 6.1	- 49.0	- 99.2	+ 2 120.0
Rimfire Energy[1]	0.0	0.0	0.0	0.0
Change[3]	0.0	0.0	0.0	0.0
Territory[1]	3.5	1.7	0.01	0.3
Change[3]	+ 6.1	- 49.0	- 99.2	+ 2 120.0

1 Number of residential customers disconnected for non-payment as a percentage of total residential customers in the Territory.
2 Jacana Energy had a residential customer disconnection level of 0.01% in 2020-21, rounded down to 0.0% in Table 8.
3 Percentage change in number of residential customers disconnected for non-payment from previous year.

The percentage of residential customers disconnected in the Territory remained low in 2021-22, despite increasing from 2020-21 levels. The small number of disconnections in 2020-21 was a consequence of Jacana Energy's alignment with the AER's SOE, which included a freeze on disconnections of customers experiencing financial difficulty until August 2020, where the AER's SOE were updated to allow disconnections in limited circumstances and with additional hardship support provided.

Jacana Energy advised the Commission that disconnections for non-payment were gradually reintroduced from June 2021, and that it continued to take a last resort approach to disconnections for non-payment throughout 2021-22, in recognition of continued COVID-19 impacts.

This approach resulted in 0.3% of residential customers being disconnected for non-payment in the Territory in 2021-22, an increase of 0.3 percentage points (or 2,120%) from 2020-21. The Commission notes that as there was only a very small number of customers disconnected in 2020-21, the large percentage increase in 2021-22 does not reflect a significant increase in the number of disconnections. Compared with previous years (prior to 2020-21) the number of disconnections in 2021-22 is notably low (18% of the 2019-20 figure, which itself was approximately half of the 2018-19 figure). Of the Territory residential customers disconnected for non-payment in 2021-22, 41% were reconnected within seven days.

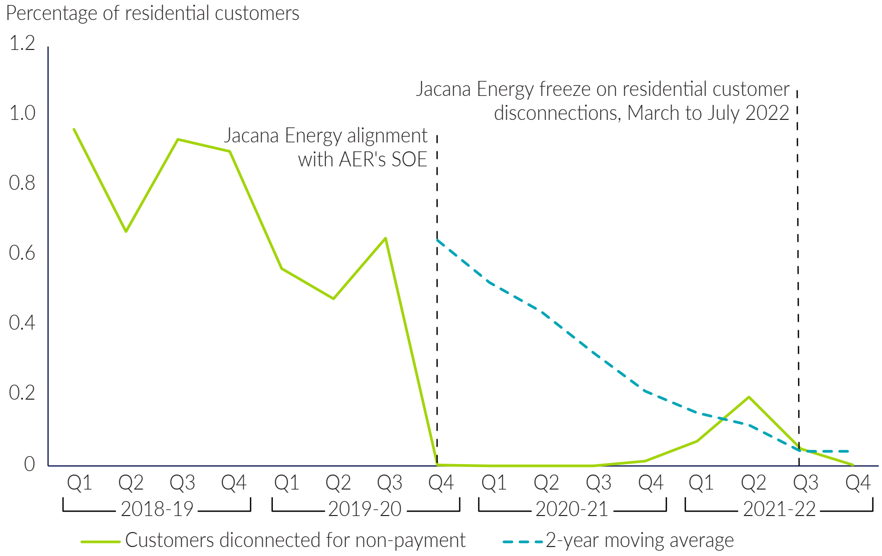
Jacana Energy also advised that the low level of disconnections in 2021-22 was impacted by a freeze on residential disconnections beginning on 3 March 2022 and ending in early July 2022, which was a remedial action taken by Jacana Energy while it addressed a material breach of Jacana Energy's life support obligations under the ERS Code. This action reduced disconnections in the fourth quarter of 2021-22 to zero.

Disconnections for non-payment in NECF jurisdictions were also relatively low in 2021-22, noting disconnections increased from 2020-21 levels where the AER's SOE was in effect. In NECF jurisdictions overall, 0.4% of residential customers were disconnected for non-payment in 2021-22, with the level of disconnections fairly consistent in each quarter. The Territory's level of disconnection for non-payment of residential customers compares favourably to NECF jurisdictions, however it is noted that this is influenced by the freeze on residential customer disconnections in the fourth quarter.

Of the customers disconnected in NECF jurisdictions, 48.4% were reconnected within seven days. This is a similar level to previous years, noting the level of reconnections within seven days in 2020-21, at 39.4%, was relatively low. In contrast, the Territory's level of residential customer reconnections within seven days has declined in 2021-22 relative to 2020-21.

Figure 10 shows the percentage of residential customers disconnected for non-payment on a quarterly basis over the last four years, with Jacana Energy's alignment with the AER's SOE and freeze on residential customer disconnections (following from a material breach of life support obligations in the ERS Code) highlighted.

Figure 10: Percentage of residential customers disconnected for non-payment, quarterly



The Commission discussed in previous NTERRs that a downward trend in residential customer disconnections for non-payment was observed following the update to Jacana Energy's hardship policy in the fourth quarter of 2018-19, preceding a sharp decline to zero disconnections in the fourth quarter of 2019-20 with Jacana Energy's alignment with the AER's SOE. In line with the AER's SOE, no disconnections occurred for most of 2020-21 with minimal disconnections occurring in the fourth quarter. Jacana Energy gradually re-introduced residential customer disconnections for non-payment in the first quarter of 2021-22, with the highest level of disconnections occurring in the second quarter (0.2%). The Commission notes the number of disconnections occurring in 2021-22 overall is very low, consistent with Jacana Energy's advice that it continued to take a last-resort approach to residential customer disconnections for non-payment throughout the year, in recognition of continued COVID-19 impacts.

Residential customer disconnections again reduced to zero in the fourth quarter of 2021-22, due to a suspension of residential customer disconnections following from a material breach of Jacana Energy's life support obligations under the ERS Code. The material breach is discussed in the Commission's Annual Compliance Monitoring Report 2021-22[38]. The Commission considers Jacana Energy's response to this breach appropriately targeted and timely, and notes that Jacana Energy proactively implemented remedial measures to address the risk of harm occurring to customers, including the freeze in residential customer disconnections.

38 Annual Compliance Monitoring Report 2021-22: https://utilicom.nt.gov.au/news/2022/annual-compliance-monitoring-report-2021-22.

Small business customers

The percentage of small business customers disconnected for non-payment in the last four years is shown in Table 9.

Table 9: Percentage of small business customers disconnected for non-payment

	2018-19	2019-20	2020-21	2021-22
	%	%	%	%
Jacana Energy[1]	1.2	1.0	0.0	0.3
Change[2]	- 47.9	- 24.7	- 100.0	n/a
Rimfire Energy[1]	0.0	0.0	0.0	0.0
Change[2]	- 100.0	0.0	0.0	0.0
Territory[1]	1.1	1.0	0.0	0.3
Change[2]	- 49.7	- 24.7	- 100.0	n/a

n/a: not applicable

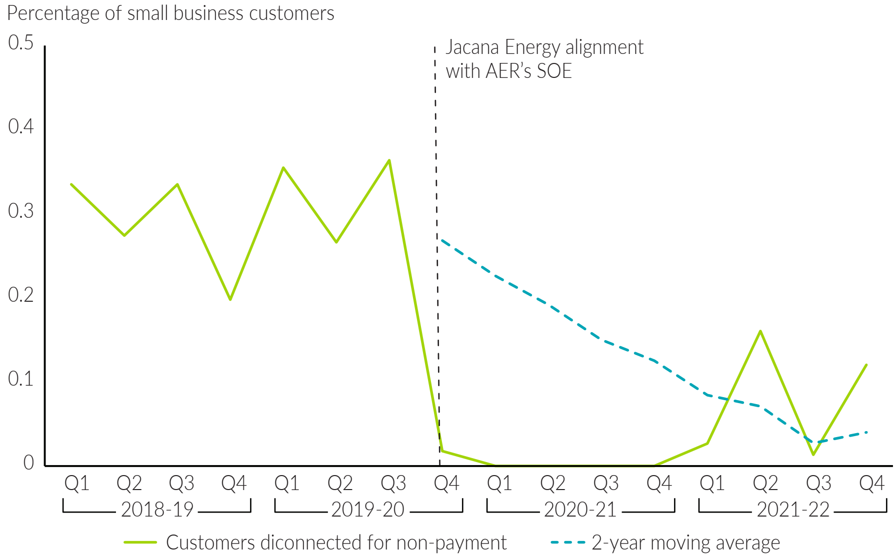
1 Number of small business customers disconnected for non-payment as a percentage of total small business customers in the Territory.

2 Percentage change in number of small business customers disconnected for non-payment from previous year.

Consistent with residential customers, only a small number of small business customers were disconnected for non-payment in the Territory during 2021-22 (0.3%). This is likely a consequence of Jacana Energy's continued last resort approach to disconnections for non-payment in 2021-22, recognising continued COVID-19 impacts. This result is in line with NECF jurisdictions, which also reported 0.3% of small business customers disconnected for non-payment in 2021-22. This is a positive outcome for the Territory, noting that from 2016-17 to 2019-20, the Territory had a higher level of disconnections for small business customers than the NECF jurisdictions, including more than twice the level of disconnections in 2019-20. Although not shown in Table 9, 60.4% of small business customers disconnected for non-payment in the Territory in 2021-22 were reconnected within seven days. This is higher than any of the NECF jurisdictions individually, where the Australian Capital Territory had the highest level of reconnections within seven days (58.8%) and 28.4% for NECF jurisdictions collectively.

Figure 11 shows the percentage of small business customers disconnected for non-payment on a quarterly basis over the last four years, with Jacana Energy's alignment with the AER's SOE highlighted. Jacana Energy's freeze on residential customer disconnections for non-payment in the third quarter of 2021-22 is not presented in Figure 11 as it is not relevant to small business customers. Consistent with the discussion in the debt section of this chapter, due to the limited number of small business customers in the Territory, there is likely to be a large impact on reported numbers and trends due to small fluctuations in the underlying data.

Figure 11: Percentage of small business customers disconnected for non-payment, quarterly



The impact of COVID-19 can be seen in Figure 11, particularly in the reduction to zero small business customer disconnections throughout 2020-21, following Jacana Energy's alignment with the AER's SOE and business hardship support provided by the Territory and Commonwealth governments. The Commission notes that while small business customer disconnections occurred in each quarter of 2021-22, the level of disconnections in each quarter and for the year overall remained low relative to previous years (prior to COVID-19). Despite the low level of disconnections in 2021-22 overall, there was an increase in small business customer disconnections in the first quarter, following the first Territory-wide snap lockdown in the fourth quarter of 2020-21, and a sharp increase in the second quarter of 2021-22 following a second Territory-wide lockdown in the first quarter. It is likely providing continued business hardship support, including discounted electricity tariffs under the Territory Government's Business Hardship Package (January to March 2022) has contributed to the steep decline in small business customer disconnections observed in the third quarter of 2021-22 and the low level of disconnections in 2021-22 overall.

Prepayment meters

A prepayment meter is a type of meter that requires the owner to pay for electricity usage in advance. It works similar to a pay-as-you-go mobile phone plan and is an option to assist in managing consumption. It also may help avoid payment difficulties and associated hardship related to a customer's electricity supply. Prepayment meters allow for small regular payments prior to consumption, rather than potentially receiving a large bill in arrears, and provide real-time feedback on a customer's consumption. This may allow customers to avoid bill shock, which can occur with varying consumption due to a number of factors such as climatic conditions and changes to occupancy levels at a residence. The Commission considers, at a high level, prepayment meters have both positive and negative aspects compared with traditional post-payment meters for some customers, and prepayment meters are one option among others for managing payment difficulties and hardship.

Historical and comprehensive data relating to prepayment meters in the Territory is limited due to the obligation to report prepayment meter data only being introduced relatively recently with the EIP Code commencing, retailer delays in aligning reporting to the EIP Code and limited number of smart prepayment meters installed up until mid-2018-19.

Further, there is limited publicly available data relating to prepayment meters in other jurisdictions, which limits the Commission's ability to compare prepayment meter indicators against national benchmarks.

Due to the limitations in available data, Table 10 provides only three years of prepayment meter data at the Territory level, from 2019-20 to 2021-22. The Commission expects in future years, as more historical data becomes available, improved analysis of prepayment meter data will become possible. Notably the Commission does not consider comparisons between the level of disconnections for non-payment of post-pay meter customers (as shown in this review) and self-disconnection[39] events of prepayment meter customers to be appropriate.

The Commission notes the data in Table 10 regarding the 'total prepayment meters' and 'prepayment meters capable of reporting disconnections' performance indicators relates to the last day of the reporting period (compared with other performance indicators, which relate to the total across the reporting period), and at times during the reporting period for 2019-20, up to 62 prepayment meters were not capable of reporting the number and duration of self-disconnection events due to being older analogue meters.

Table 10: Prepayment meters

	2019-20	2020-21	2021-22
Prepayment meters	2 063	2 187	2 172
Prepayment meters capable of reporting self-disconnections	2 049	2 173	2 158
Total prepayment meter disconnection[1] events	69 888[2]	84 439	89 252
Prepayment meter disconnection events per prepayment meter	34.1	38.9	41.4
Average duration of self-disconnection events (minutes)	379.7	504.0	407.7

1 The NERR defines a self-disconnection as 'an interruption to the supply of energy because a prepayment meter system has no credit (including emergency credit) available.'

2 Does not include July 2019 as data was unavailable.

Table 10 shows the number of prepayment meters in the Territory decreased in 2021-22 relative to 2020-21, with 15 less prepayment meters in 2021-22 as of the fourth quarter. Despite this, the number of prepayment meter disconnection events increased by 6% and the number of disconnections per prepayment meter also increased by 6%, to 41.4 events. Encouragingly, the average duration of self-disconnection events decreased by 19% to 408 minutes.

As there is limited historical or inter-jurisdictional data available in relation to prepayment meters, the ability to undertake comprehensive analysis of trends in prepayment meter use and self-disconnection events is limited, however this is improving with each additional year of data obtained. The Commission notes, in any case, both the number and duration of prepayment meter disconnection events appears high over the last three years.

Jacana Energy indicated to the Commission that the average duration of self-disconnection events may be overstated, as this includes instances where the credit has run out and the meter has not been reconnected for over seven days. Such instances may be due to a change in tenancy or a site remaining vacant while the occupant is away from the premises for an extended period. Jacana Energy advised that 99.14% of self-disconnection events

39 The NERR defines a self-disconnection as 'an interruption to the supply of energy because a prepayment meter system has no credit (including emergency credit) available.'

are reconnected within seven days, however the remaining 0.76% accounts for nearly half of the average self-disconnection duration.

Jacana Energy also advised that during 2021-22, and particularly during the lockdown and lockout periods, Jacana Energy worked closely with the Department of Territory Families, Housing and Communities' welfare liaison function, community support organisations and Aboriginal councils to support prepayment meter customers that were unable to leave their home to add credit to their meter. This included allocation of Jacana Energy hardship funding to prepayment meter customers to provide online top-up support, and allocating support payments to meters on behalf of third-party organisations. During this time, Jacana Energy provided an after-hours emergency contact to the department's welfare liaison function to limit instances where customers were left without power.

Noting the limited national benchmarks, in comparison to customers in Tasmania that had prepayment meters capable of reporting self-disconnections, from 2012-13 to 2018-19 (prepayment meters have been gradually phased out of Tasmania since 2018) the average duration of self-disconnection events was about 263 minutes and number of self-disconnection events per prepayment meter customer was 0.32 in a financial year[40], which is substantially shorter and less frequent than in the Territory over the last three years.

Jacana Energy indicated to the Commission that visibility of prepayment meter data, particularly live data, can be challenging, however it is getting better at understanding prepayment meter customer top-up behaviour and is investigating options to improve its reporting of prepayment meter self-disconnection event durations. This is positive, noting the Commission understands there are a range of complex factors that contribute to the concerning prepayment meter results.

The Commission discussed in the 2020-21 NTERR that a number of stakeholders had made contact with the Commission regarding the Commission's ERS Code Review to provide their research, views and recommendations on prepayment meter and energy insecurity matters. Accordingly, the Commission made a recommendation that the Territory Government consider putting in place consumer protections for prepayment meter customers that are suitable for the Territory's circumstances. The Commission has since published its draft decision to the ERS Code Review, including its proposal to amend the ERS Code to require a retailer with prepayment meter customers to develop, implement and comply with a Commission-approved customer hardship policy for their prepayment meter customers (which may be located within a retailer's broader hardship policy) that meets minimum requirements specified in the ERS Code. The Commission notes Jacana Energy's terms and conditions for standard retail contracts[41] includes in Appendix C a section related to prepayment meter customer payment difficulties. The Commission considers it positive that Jacana Energy has proactively identified measures to support its prepayment meter customers.

Consistent with the 2020-21 NTERR, the Commission continues to recommend that government establishes a fulsome energy customer protection framework for the Territory, including appropriate protections for prepayment meter customers.

40 Calculated from AER Retail energy market performance update for quarter 4, 2021-22: https://www.aer.gov.au/retail-markets/performance-reporting/retail-energy-market-performance-update-for-quarter-4-2021%E2%80%9322.

41 Jacana Energy Standard Retail Contract: https://jacanaenergy.com.au/sites/default/files/2022-02/Terms-and-conditions-for-standard-retail-contracts.pdf.

Hardship policy

As mentioned in previous NTERRs, nationally all jurisdictions except the Territory have customer protection obligations in place in relation to customer hardship. For NECF jurisdictions, the AER is obligated by the National Energy Retail Rules (NERR) to produce and publish a customer hardship policy guideline. A retailer must submit a customer hardship policy to the AER for approval that complies with the customer hardship policy guideline[42].

Further, the NERR deals with the disconnection of customers for non-payment and places a number of obligations on retailers that must be complied with prior to progressing to disconnection.

Despite the EIP Code requiring Territory retailers to report to the Commission on indicators regarding debt, payment plans, hardship, disconnections for non-payment and prepayment meters for small customers, there is no legislative requirement for Territory electricity retailers to have a hardship policy in place. Accordingly, retailers in the Territory are left to determine what is appropriate regarding hardship provisions. However, the Commission has discussed in previous NTERRs that leaving it to retailers to determine what is appropriate regarding hardship provisions may not always result in the best outcome for customers or alignment with best practice.

In the 2020-21 NTERR, the Commission indicated it was considering amending the ERS Code as part of its ERS Code Review[43] to include an obligation on retailers to have an approved hardship policy for their small customers, noting that stakeholder submissions to the ERS Code Review Issues Paper[44] largely supported this proposal. The Commission has now published its draft decision[45], including the Commission's proposal to amend the ERS Code to require retailers to develop, implement and comply with a Commission-approved customer hardship policy for their residential customers that meets minimum requirements specified in the ERS Code. These requirements are generally consistent with requirements specified in the NERL, with modification for the Territory's circumstances.

The Commission notes that Jacana Energy has proactively developed and implemented a customer hardship policy, even though there is no current obligation to do so. Information about Jacana Energy's Stay Connected[46] program is available on its website. Rimfire Energy has also advised the Commission it has a customer hardship policy in place, however the Commission notes this is not currently accessible on Rimfire Energy's website. While these retailers have proactively developed customer hardship policies, the contents of these policies have been determined by the retailers and are not subject to regulatory oversight. The Commission's draft decision to require retailers to submit their hardship policies for approval, subject to meeting requirements specified in the ERS Code, will therefore go some way to ensuring customers are afforded appropriate support when facing financial hardship.

42 Customer Hardship Policy Guideline: https://www.aer.gov.au/retail-markets/guidelines-reviews/customer-hardship-policy-guideline.

43 Electricity Retail Supply Code Review: https://utilicom.nt.gov.au/projects/projects/electricity-retail-supply-code-review2.

44 Electricity Retail Supply Code Review Issues Paper: https://utilicom.nt.gov.au/publications/approvals-decisions-and-determinations/issues-paper-electricity-retail-supply-code-review.

45 Electricity Retail Supply Code Draft Decision Paper: https://utilicom.nt.gov.au/publications/reports-and-reviews/draft-decision-paper-electricity-retail-supply-code-review.

46 Jacana Energy Stay Connected program: https://www.jacanaenergy.com.au/your-home/billing-and-payments/financial-support.

As discussed above, the Commission also proposes to require retailers with prepayment meter customers to develop, implement and comply with a Commission-approved customer hardship policy for their prepayment meter customers (which may be located within a retailer's broader hardship policy) that meets minimum requirements specified in the ERS Code. The Commission notes stakeholder feedback[47] to the ERS Code Review draft decision has indicated that further work is required to ensure prepayment meter customers, and particularly prepayment meter customers outside of the access-regulated networks, are afforded customer protections that achieve similar outcomes to those for postpayment customers. The Commission considers this is largely a matter of government policy and accordingly, recommends the Territory Government consider developing a comprehensive customer protections framework, including fit-for-purpose consumer protections for prepayment meter customers.

In addition to the hardship policy measures discussed above, and noting stakeholder submissions to the ERS Code Review, the Commission's draft decision to the ERS Code Review proposes to introduce an obligation on electricity retailers to develop a family violence policy, submit it to the Commission for approval, and publish, maintain and implement the policy as approved.

Relevantly, the Australian Bureau of Statistics publishes the annual victimisation rate for recorded family and domestic violence-related assaults for all jurisdictions excluding Queensland and Victoria. In 2021, the Territory had the highest victimisation rate (2,331 per 100,000 people) and was well above Western Australia, which had the second highest rate (853 per 100,000 people)[48], noting this rate refers to family and domestic violence-related assault only and does not take into account sexual assault and homicide. This statistic indicates there are affected customers in the Territory that may benefit from a retailer family violence policy. Further, the Commission notes that family violence policy obligations exist in Victoria's Essential Services Commission's Energy Retail Code, and have recently been introduced in the NEM and in Western Australia. Hence, this proposed measure goes some way to aligning practice in the Territory with other Australian jurisdictions. Stakeholder feedback to the ERS Code Review draft decision has largely supported introducing this measure[49].

47 Australian National University submission – Draft Decision – Electricity Retail Supply Code Review: https://utilicom.nt.gov.au/publications/submissions/australian-national-university-submission-draft-decision-electricity-retail-supply-code-review.

48 Australian Bureau of Statistics: Recorded Crime – Victims: https://www.abs.gov.au/statistics/people/crime-and-justice/recorded-crime-victims/2021.

49 Electricity Retail Supply Code Review: https://utilicom.nt.gov.au/projects/projects/electricity-retail-supply-code-review2.

Abbreviations and glossary

AER	Australian Energy Regulator
AER's SOE	Statement of expectations of energy businesses: Protecting customers and the energy market during COVID-19
COVID-19	The World Health Organisation declared the novel coronavirus (COVID-19) a worldwide pandemic on 11 March 2020. The COVID-19 pandemic declaration is still active at the time of publication
CSO	Community service obligation payment provided to retailers by the government to account for the difference between regulated electricity tariffs and cost of supply
EIP Code	Electricity Industry Performance Code
ER Act	*Electricity Reform Act 2000*
ERS Code	Electricity Retail Supply Code
government owned corporation	An entity established under the *Government Owned Corporation Act 2001*
Jacana Energy	Jacana Energy is a government owned corporation established in accordance with the *Government Owned Corporations Act 2001*. Jacana Energy has a licence to participant in the electricity supply industry.
kWh	kilowatt hour, 1 kWh = 1 thousand watt hours
MWh	megawatt hour, 1 MWh = 1 million watt hours
NECF	National Energy Customer Framework adopted by the Australian Capital Territory, New South Wales, Queensland, South Australia and Tasmania
NEM	National Electricity Market
NERL	National Energy Retail Law
NERR	National Energy Retail Rules
NTERR	Northern Territory Electricity Retail Review, this review
Ombudsman NT	Established under the *Ombudsman Act 2009*, the Ombudsman NT resolves and investigates complaints about Northern Territory Government departments and authorities, local government councils and police conduct.
PV	photovoltaic
PWC	Power and Water Corporation, a government owned corporation established in accordance with the *Government Owned Corporations Act 2001*. PWC currently has a licence to operate the electricity network and to perform system control operations. It also holds retail and generation licences in respect to supplying electricity to remote and indigenous communities
residential customer	Customer with consumption less than 160 MWh per annum and charged a domestic tariff in accordance with the Electricity Pricing Order
Retail Report	AER's Annual Retail Markets report
Rimfire Energy	Rimfire Energy is a privately owned electricity retailer operating in the Northern Territory. Rimfire Energy has a licence to participate in the electricity supply industry
small business customer	A customer with consumption of less than 160 MWh per annum and charged a commercial tariff in accordance with the Electricity Pricing Order
Territory	The Northern Territory of Australia