

Projects on the Go September 2022

Activities of OTTER
prepared for the
OTTER Customer Consultative Committee

Printed September 2022

Office of the Tasmanian Economic Regulator

Level 3, 21 Murray Street, Hobart TAS 7000

GPO Box 770, Hobart TAS 7001

Phone: (03) 6145 5899

OTTER Customer Consultative Committee
Projects on the Go
Meeting 3 / 2022
September 2022

1.	WATER AND SEWERAGE	2
a.	Post-2022 Price Determination Investigation activities.....	2
2.	ELECTRICITY.....	2
a.	Post-2022 Retail Electricity Pricing Investigation activities	2
3.	ENERGY	3
a.	Typical customer and electricity and gas price comparison reports.....	3
b.	Annual Energy Security Review 2021-22	3
c.	Energy in Tasmania 2021-22	3
d.	Network Reliability Review	3
e.	Energy Security Monitor and Assessor status update and overview of current energy security position.....	4
4.	WATER AND SEWERAGE, ELECTRICITY AND GAS LICENSING	4
5.	CODES AND GUIDELINES.....	5
6.	ELECTRICITY - RETAIL QUARTERLY PERFORMANCE REPORTS.....	5
	APPENDIX A - RETAILER PERFORMANCE.....	6
	Table 1: Aurora Energy quarterly performance – residential.....	6
	Table 2: Aurora Energy quarterly performance – small business	8
	Table 3: 1st Energy quarterly performance – residential	9
	Table 4: 1st Energy quarterly performance – small business.....	10
	Table 5: Shell Energy quarterly performance – small business.....	10
	Table 6: Energy Locals quarterly performance – residential	11
	Table 7: Energy Locals quarterly performance – small business.....	12

1. Water and Sewerage

a. Post-2022 Price Determination Investigation activities

As set out in the Regulator's 2022 Water and Sewerage Price Determination Investigation Final Report, the Regulator is conducting inquiries into the following issues during the fourth regulatory period:

- TasWater's approach to sewerage and trade waste charging;
- the level of TasWater's service charges¹; and
- the calculation of regulatory depreciation allowances.

The draft timelines and terms of reference for the inquiries are being considered at the Regulator's meeting of 14 September 2022. Subject to the Regulator's approval, further information about the inquiries will be made available on the Regulator's website.

During the fourth regulatory period, the Regulator has also required TasWater to transfer its asset register to a more suitable platform and to implement activity-based costing so more robust information about TasWater's costs is available for the next investigation.

Under the draft timelines and terms of reference for each of the inquiries, stakeholders and customers will have the opportunity to provide feedback on draft findings as the inquiries progress.

The outcomes from the inquiries will be taken into account in the Regulator's price and service plan guideline for the fifth regulatory period and, subsequently, TasWater's proposed price and service plan for that period.

2. Electricity

a. 2022 Retail Electricity Pricing Investigation activities

As set out in the Regulator Final report, the Regulator will examine the merits of Aurora Energy preparing financial statements that apply to its regulated services only and/or implementing activity-based costing. If implemented, the information would be considered in the next standing offer pricing investigation, scheduled for in 2024-25.

¹ Service charges are water and/or sewerage charges levied on owners of properties that are within TasWater's declared 'serviced land' and are within 30 meters of TasWater's water and/or sewerage pipelines where no services are provided as there is no connection to the property. These properties would either be vacant blocks or have alternative arrangements for water supply and sewage treatment.

3. Energy

a. Typical customer and electricity and gas price comparison reports

OTTER is currently preparing an updated version of the typical customer report. OTTER is also preparing the annual electricity and gas price comparison report based on prices applying across Australia as at 1 September 2022.

Subject to the Regulator's approval, the two reports are expected to be published in late September 2022.

b. Annual Energy Security Review 2021-22

Under Clause 8C of the *Energy Co-ordination and Planning Act 1995*, the Monitor and Assessor is required to prepare a report, by 30 November each year, on the performance of the Assessor's functions and exercise of powers during the previous 12 months. This report also includes an overview of energy security in Tasmania and forecast hydro storage levels and energy demand. OTTER expect to begin the preparation the Annual Energy Security Review for 2021-22 in early November 2022.

c. Energy in Tasmania 2021-22

Under Clause 12.8.2 of the Tasmanian Electricity Code, a licensee must provide its performance report to the Regulator before 31 October. OTTER expects to begin preparing the Energy in Tasmania report for 2021-22 in early November 2022.

d. Network Reliability Review

As required under Section 10B(1) of the *Electricity Supply Industry Act 1995*, OTTER will shortly commence the triennial Network Reliability Review.

Subject to approval at the Regulator's meeting of 14 September 2022, the timetable for the review is as follows:

Milestone	Dates
Regulator publishes Terms of Reference for Network Reliability Review	16 September 2022
Regulator approves release of draft report for comment	18 November 2022
Comments due from stakeholders on the draft report	16 December 2022
Regulator considers submissions, meets with stakeholders and prepares final report	December 2022 / January 2023
Regulator approves and publishes the final report	21 February 2023
Report tabled in Parliament	2023 Autumn session

- e. Energy Security Monitor and Assessor status update and overview of current energy security position

Energy in storage (EIS) as at 5 September 2022, the date of the most recent monthly dashboard, was at 39.5 per cent. EIS at this level is above the Prudent Storage Level (PSL), and well above the High Reliability Level (HRL), for that month. Energy in storage is equivalent to 6.7 months of demand, based on average seasonal demand.

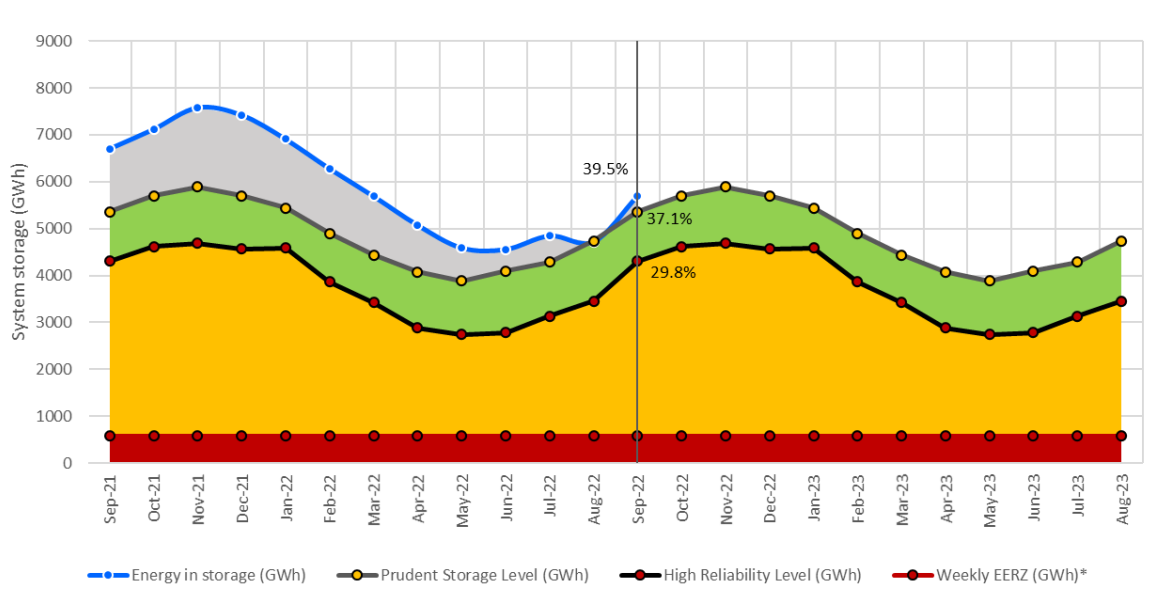
The monthly dashboards are available here: [Monthly dashboards](#)

Water storage levels declined in the first half of 2022 due to lower than average inflows and EIS was marginally below the PSL at 1 August 2022. However, strong inflows during August have resulted in overall storage levels rising above the September PSL threshold. The Monitor and Assessor continues to receive more frequent updates than usual to allow increased monitoring to take place.

As at 5 September 2022, Hydro Tasmania’s modelling shows storages remaining above the HRL over the next 120 days in all of its simulated inflow sequences. Based on these simulations, entry into the HRL is highly unlikely over the next few months.

EIS over the past year is shown below.

Energy in storage (mainland Tasmania) - September 2021 to September 2022



4. Water and Sewerage, Electricity and Gas Licensing

- a. Elysian Energy suspension from the NEM

Elysian Energy Pty Ltd entered voluntary administration on Tuesday 30 August 2022 and was suspended from operating in the national energy market by AEMO on 2 September 2022.

Elysian Energy had approximately 450 Tasmanian customers, who are being transferred to Aurora Energy as the Retailer of Last Resort for Tasmania. There is no charge to customers for the transfer and customers are able to choose another retailer at any time.

Although this matter falls under the jurisdiction of AEMO and the AER, the Regulator is monitoring the situation.

5. Codes and Guidelines

a. Tasmanian Electricity Code - vegetation management

On 6 June 2022, OTTER received a request from TasNetworks to amend Chapter 8A of the Tasmanian Electricity Code (TEC). Chapter 8A sets out the objectives for distribution powerline management in Tasmania, including vegetation clearance requirements for bare wires, insulated service cables, and aerial bundled cables. TasNetworks has proposed that the TEC be amended to prescribe vegetation clearance requirements for an additional cable type, known as covered conductor thick (CCT). CCT's resistance to vegetation rubbing and insulation properties are similar to aerial bundle cables. However, CCT is lighter than aerial bundle cables, which means it can be used in a wider variety of applications.

Subject to the Regulator's approval, consultation documents will be posted on the Regulator's website and circulated to stakeholders following OTTER's meeting with the Regulator on 14 September 2022.

b. Incident Reporting Guideline for the Tasmanian Electricity Supply Industry

The *Incident Reporting Guideline for the Tasmanian Electricity Supply Industry, July 2019* requires generators, transmission system operators, distribution network operators and Basslink to notify the Regulator of incidents that affect the Tasmanian electricity system.

TasNetworks has proposed changes to the reporting requirements and notification thresholds for incidents that affect its distribution network on mainland Tasmania and Bruny Island.

It is proposed to replace the requirement to report notifiable incidents by close of business of the next business day with a monthly summary of all notifiable incidents that have occurred during the previous month.

However, it is proposed that TasNetworks continue to provide notification of significant incidents caused by widespread events, such as storms or other extreme weather.

Subject to the Regulator's approval, consultation documents will be posted on the Regulator's website and circulated to stakeholders following OTTER's meeting with the Regulator on 14 September 2022.

6. Electricity - Retail Quarterly Performance Reports

1st Energy and Aurora Energy have provided their performance reports for Quarter 4 of 2021-22 as required under Regulation 12 of the *Electricity Supply Industry Regulations 2018*. Performance is reported in accordance with the AER's performance reporting procedures and guideline.

Performance reports are yet to be received from other energy providers, and may be reported on once received.

Summaries for each retailer are provided in Tables 1-7 inclusive in Appendix A below.

Appendix A - Retailer performance



Table 1: Aurora Energy quarterly performance – residential

	2020-21	2021-22	2021-22	2021-22	2021-22
	Q4	Q1	Q2	Q3	Q4
Customer numbers					
standing offer	243 330	243 254	241 219	241 969	239 815
APAYG customers	10	10	10	8	6
Payment difficulties					
customers repaying a debt	8 672	7 664	9 678	10 649	11 252
average amount \$	1 366	1 406	1 278	1 187	972
debt over \$500 but less than or equal to \$1 500	2 561	2 212	2 763	2 675	2 317
debt over \$1 500 but less than or equal to \$2 500	1 114	976	1 073	1 092	904
debt over \$2 500	1 457	1 346	1 477	1 491	1 266
Payment plans					
customers on a payment plan	5 018	6 336	5 964	5 601	4 896
customers who had their plan cancelled for non-payment	5 277	5 302	6 108	5 730	3 467
customers with 2 or more plans cancelled in the prev 12 months	3 373	3 382	3 583	3 445	2 188
Disconnections					
residential disconnections	0	153	182	207	110
concession customers disconnected	0	63	95	113	56
customers disconnected who were on a payment plan in the prev 12 months	0	27	54	86	50
customers disconnected on more than once occasion in prev 24 months	0	1	7	3	4
Reconnections					
reconnections within 7 days	0	60	75	70	30
customers on a payment plan in the prev 12 months reconnected within 7 days	0	11	15	31	12
concession customers reconnected within 7 days	0	28	31	42	15
APAYG - Prepayment meter (PPM) customers					
PPM customers with a concession	3	3	2	2	2
PPMs able to detect and report self-disconnections	0	0	0	0	0
PPM self-disconnection events	0	0	0	0	0
customers self-disconnected	0	0	0	0	0
average duration of self-disconnection events (minutes)	0	0	0	0	0
Hardship program					
customers on the hardship program	4 480	4 632	4 791	4 540	4 169
hardship customers with a concession	3 219	3 302	3 396	3 183	2 953

customers exiting the program	1 475	629	544	860	939
average debt upon entry to program \$	2 622	3 236	2 994	3 325	3 718
debt \$0 - \$500	40	27	33	24	24
debt over \$500 but less than or equal to \$1 500	143	198	198	167	106
debt over \$1 500 but less than or equal to \$2 500	106	161	164	129	94
debt over \$2 500	187	388	303	255	316
average debt \$	2 182	2 427	2 463	2 490	2 540
customers who successfully completed program	481	134	172	327	305
customers excluded from program for non-compliance	848	347	257	368	513
customers who transferred or left the retailer	146	148	115	165	121
Complaints (residential)					
billing	1 307	1 410	1 124	1 397	1 031
marketing	13	15	19	18	4
customer transfer	1	5	9	7	3
other	1515*	1179	879	744	777
TOTAL	2 836	2 609	2 031	2 166	1 815

* The majority of these complaints relate to the migration of customers to a new customer management system, which resulted in a change to their original account number

Table 2: Aurora Energy quarterly performance – small business

	2020-21	2021-22	2021-22	2021-22	2021-22
	Q4	Q1	Q2	Q3	Q4
Customer numbers					
standing offer	29 387	28 881	28 883	28 842	28 795
market contracts	4 721	5 092	5 260	5 236	5 364
Total small business	34 108	33 973	34 143	34 078	34 159
Payment difficulties					
customers repaying a debt	425	357	347	296	264
average customer debt \$	2 033	2 104	1 810	1 708	1 610
Disconnections					
small business customers	0	5	10	5	5
Reconnections					
reconnections within 7 days	0	2	1	1	1
Complaints					
billing	74	73	84	44	30
marketing	0	0	0	0	0
customer transfer	0	0	0	0	0
other	33	27	18	25	28
TOTAL	107	100	102	69	58

Table 3: 1st Energy quarterly performance – residential

	2020-21	2021-22	2021-22	2021-22	2021-22
	Q4	Q1	Q2	Q3	Q4
Customer numbers					
standing offer	59	51	37	68	72
market offer	6 809	7 767	8 752	9 471	10 985
Payment difficulties					
customers repaying a debt	105	92	170	186	161
average amount \$	485	569	551	526	381
debt over \$500 but less than or equal to \$1 500	26	17	31	43	30
debt over \$1 500 but less than or equal to \$2 500	5	4	10	8	7
debt over \$2 500	3	6	7	6	1
Payment plans					
customers on a payment plan	98	134	145	121	135
customers who had their plan cancelled for non-payment	40	69	60	43	78
customers with 2 or more plans cancelled in the prev 12 months	0	34	0	51	40
Disconnections					
residential disconnections	30	31	22	34	35
concession customers disconnected	8	13	10	17	15
customers disconnected who were on a payment plan in the prev 12 months	21	24	13	26	23
customers disconnected on more than one occasion in prev 24 months	5	3	2	11	13
Reconnections					
reconnections within 7 days	16	20	14	22	22
customers on a payment plan in the prev 12 months reconnected within 7 days	13	19	11	20	17
concession customers reconnected within 7 days	5	11	7	12	13
Hardship program					
customers on the hardship program	36	54	38	63	73
hardship customers with a concession	12	35	24	46	60
customers exiting the program	12	21	52	48	63
average debt upon entry to program	949	326	685	654	686
debt \$0 - \$500	10	27	23	42	45
debt over \$500 but less than or equal to \$1 500	10	11	9	19	20
debt over \$1 500 but less than or equal to \$2 500	3	1	1	6	5
debt over \$2 500	3	0	3	6	3
average debt \$	810	699	645	1 004	1 024
customers who successfully completed program	0	1	5	5	7
customers excluded from program for non-compliance	8	17	36	33	49
customers who transferred or left the retailer	4	3	11	10	7
Complaints (residential)					
billing	35	47	25	82	37
marketing	3	0	1	2	0
customer transfer	6	3	1	1	0
other	31	29	17	39	13
TOTAL	75	79	44	124	50



Table 4: 1st Energy quarterly performance – small business

	2020-21	2021-22	2021-22	2021-22	2021-22
	Q4	Q1	Q2	Q3	Q4
Customer numbers					
standing offer	10	8	8	14	9
market contracts	969	1 041	1 053	1 005	1 149
Total small business	979	1 049	1 061	1 019	1 158
Payment difficulties					
customers repaying a debt	23	30	27	22	14
average customer debt \$	1 123	1 493	1 958	2 042	1 428
Disconnections					
small business customers	1	6	2	2	5
Reconnections					
reconnections within 7 days	0	4	2	0	3
Complaints					
billing	7	1	2	6	0
marketing	0	1	0	1	0
customer transfer	0	0	0	0	0
other	1	2	3	2	2
TOTAL	8	4	5	9	2



Table 5: Shell Energy quarterly performance – small business

	2020-21	2021-22	2021-22	2021-22	2021-22
	Q4	Q1	Q2	Q3	Q4
Customer numbers					
standing offer	48	48	58	52	48
market contracts	70	73	69	68	61
Total small business	118	121	127	120	109
Payment difficulties					
customers repaying a debt	10	8	3	15	14
average customer debt \$	2 700	1 717	710	1 200	1 955
Disconnections					
small business customers	0	0	0	0	0
Reconnections					
reconnections within 7 days	0	0	0	0	0
Complaints					
billing	0	0	0	0	0
marketing	0	0	0	0	0
customer transfer	0	0	0	0	0
other	0	0	0	0	0
TOTAL	0	0	0	0	0

Table 6: Energy Locals quarterly performance – residential

	2020-21	2021-22	2021-22	2021-22	2021-22
	Q4	Q1	Q2	Q3	Q4
Customer numbers					
market offer	299	326	365	425	487
Payment difficulties					
customers repaying a debt	6	3	3	7	0
average amount \$	231	272	521	0	0
debt over \$500 but less than or equal to \$1 500	0	0	3	3	0
debt over \$1 500 but less than or equal to \$2 500	0	0	0	1	2
debt over \$2 500	0	0	0	0	0
Payment plans					
customers on payment plan	0	3	6	4	5
customers who had their plan cancelled for non-payment	0	0	2	2	7
customers with 2 + plans cancelled (past 12 months)	0	0	1	0	3
Disconnections					
residential disconnections	0	0	0	0	0
concession customers disconnected	0	0	0	0	0
customers disconnected who were on a payment plan in the previous 12 months	0	0	0	0	0
customers disconnected on more than once occasion in previous 24 months	0	0	0	0	0
Reconnections					
reconnections within 7 days	0	0	0	0	0
customers on a payment plan in the previous 12 months reconnected within 7 days	0	0	0	0	0
concession customers reconnected within 7 days	0	0	0	0	0
Hardship program					
customers on the hardship program	0	0	0	2	6
hardship customers with a concession	0	0	0	2	2
customers exiting the program	0	0	0	0	3
average debt upon entry to program	0	0	0	17	891
debt \$0 - \$500	0	0	0	2	2
debt over \$500 but less than or equal to \$1 500	0	0	0	0	1
debt over \$1 500 but less than or equal to \$2 500	0	0	0	0	1
debt over \$2 500	0	0	0	0	0
average debt \$	0	0	0	17	605

customers who successfully completed program	0	0	0	0	0
customers excluded for non-compliance	0	0	0	0	3
customers who transferred or left the retailer	0	0	0	0	0
Complaints (residential)					
billing	0	1	1	0	1
marketing	0	0	0	0	0
customer transfer	0	0	0	0	0
other	0	0	0	0	1
TOTAL	0	1	1	0	2

Table 7: Energy Locals quarterly performance – small business

	2020-21	2021-22	2021-22	2021-22	2021-22
	Q4	Q1	Q2	Q3	Q4
Customer numbers					
standing offer	0	0	0	0	1
market contracts	38	38	30	31	59
Total small business	38	38	30	31	60
Payment difficulties					
customers repaying a debt	3	4	0	3	3
average customer debt \$	1 072	994	0	151	151
Disconnections					
small business customers	0	0	0	0	0
Reconnections					
reconnections within 7 days	0	0	0	0	0
Complaints					
billing	0	0	0	0	1
marketing	0	0	0	0	0
customer transfer	0	0	0	0	0
other	0	0	0	0	0
TOTAL	0	0	0	0	1