

Projects on the Go February 2023

Activities of OTTER
prepared for the
OTTER Customer Consultative Committee

Printed February 2023

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 1 / 2023
February 2023

1.	WATER AND SEWERAGE	2
a.	Post-2022 Price Determination Investigation activities.....	2
b.	2021-22 Report on the State of the Tasmanian Water and Sewerage Industry	2
2.	ENERGY.....	3
a.	Network Reliability Review.....	3
b.	Energy Security Monitor and Assessor status update and overview of current energy security position.....	3
3.	OTHER.....	4
a.	Prescribed body inquiry.....	4
4.	CODES AND GUIDELINES.....	5
a.	Tasmanian Gas Retail Code	5
5.	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 for new assets.

Further information about the inquiries, including the terms of reference for each inquiry, is available [here](#).

Under the 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 when preparing the Regulator's price and service plan guideline for the fifth regulatory period. The guideline will set out the Regulator's expectations and requirements for TasWater's proposed price and service plan for that period.

OTTER will provide more information about the inquiry into TasWater's approach to sewerage and trade waste charging and the upcoming release of the Issues Paper relating to that inquiry at the OCCC meeting of 16 February 2023.

The Regulator has also required TasWater to implement activity-based costing during the fourth regulatory period, to ensure that more robust information about TasWater's costs is available for the next investigation.

b. 2021-22 Report on the State of the Tasmanian Water and Sewerage Industry

OTTER has commenced preparing the Report on the State of the Tasmanian Water and Sewerage Industry (SOIR) for the 2021-22 financial year. OTTER and the other industry regulators are currently preparing their respective contributions. These are public health (Department of Health), environment (Environment Protection Authority Tasmania), water (Department of Natural Resources and Environment Tasmania - NRET) and dam safety (NRET).

The 2021-22 SOIR will follow a similar structure and format to the 2020-21 SOIR and will focus on key performance outcomes during the year. The Regulator has agreed that the 2021-22 SOIR will also be extended to include discussion on the impacts of sewage spills on the Tasmanian shellfish industry. Previous SOIRs are available for viewing on OTTER's website. OTTER will also prepare a fact sheet to accompany the 2021-22 SOIR.

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.

It is anticipated that the 2021-22 SOIR will be published in May 2023, following the release of the Bureau of Meteorology's Urban National Performance Report for 2021-22 on 6 April 2023.

2. Energy

a. Network Reliability Review

As required under Section 10B(1) of the *Electricity Supply Industry Act 1995*, OTTER has undertaken a triennial Network Reliability Review and prepared a draft Report.

The draft Report looks at the reliability performance of network services in Tasmania and addresses reliability in the context of the following topics:

- the reliability and power quality performance of the transmission and distribution networks on mainland Tasmania;
- the reliability of Basslink;
- the reliability of the distribution network on the Bass Strait Islands (BSI) and quality of supply on the BSI;
- reliability and quality related issues; and
- the medium-term outlook.

Subject to approval at the Regulator's meeting of 15 February 2023, the draft Report will be released to Hydro Tasmania, TasNetworks and Basslink for comment before being finalised and published in April 2023.

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

Energy in storage (EIS) as at 6 February 2023 was at 40.8 per cent. EIS at this level is above the Prudent Storage Level (PSL), and well above the High Reliability Level (HRL), for February. EIS is equivalent to 6.4 months of demand, based on average seasonal demand.

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

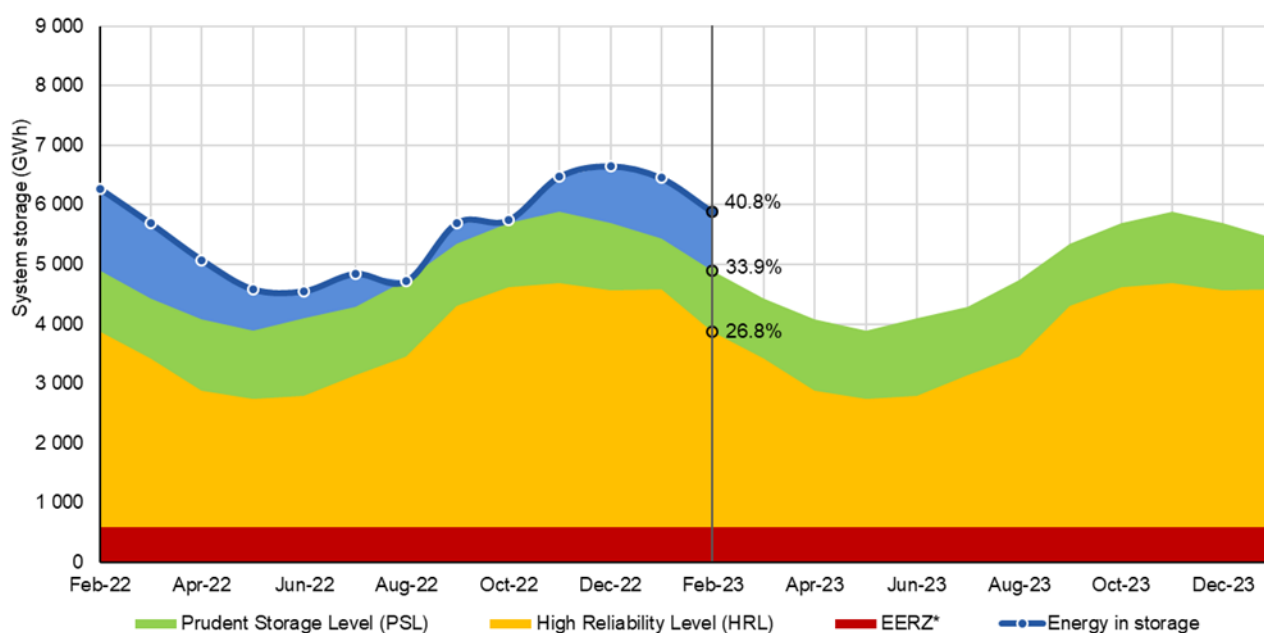
The February 2023 Dashboard will be published on Friday 10 February.

Water storage levels declined in the first half of 2022 due to lower than average inflows and EIS dipped marginally below the PSL for short periods in August and October 2022. However, strong inflows during August and October resulted in overall storage levels rising above the PSL threshold.

As at 7 February 2023, 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) - February 2022 to February 2023



3. Other

a. Prescribed body inquiry

In December 2022, the Treasurer directed the Regulator to conduct an inquiry into Bass Island Line's pricing policies and provided terms of reference.

Bass Island Line, a subsidiary of TasPorts, provides sea freight services to King Island.

Under the terms of reference, the Regulator's inquiry is to assess whether:

1. the prices charged by Bass Island Line for the supply of freight services to customers on King Island on a regular weekly basis reflect:
 - (a) the efficient costs of providing those services (including charges TasPorts imposes on Bass Island Line);
 - (b) are consistent with recovering those costs on a full cost attribution basis in line with competitive neutrality principles;
2. where possible, the costs incurred and prices charged per unit are consistent with that observed in other comparable markets;
3. Bass Island Line's pricing behaviour is in line with relevant industry rules and practices;
4. Bass Island Line's pricing behaviour impacts on other competitors and upstream and downstream supply chain participants; and
5. any other matters that impact on prices that the Regulator considers relevant.

Where discrepancies or issues are identified with respect to terms 1 to 5 inclusive, the Regulator is to provide recommendations on how Bass Island Line's pricing policies could be improved.

The Regulator is to deliver a report on its findings to the Treasurer by 31 August 2023.

Interested parties are invited to contact OTTER to provide input into the inquiry.

4. Codes and Guidelines

a. Tasmanian Gas Retail Code

On 16 June 2022, the Australian Energy Market Commission proposed changes to the National Energy Retail Rules (NERR) to introduce new measures to protect customers experiencing family violence. The NERR apply to Tasmanian electricity retailers but not Tasmanian gas retailers.

The Regulator is currently considering amending the Tasmanian Gas Retail Code to provide similar protections to customers of Tasmanian gas retailers that are experiencing family violence and customer hardship more generally.

As is normal practice, any proposed changes to the Tasmanian Gas Retail Code will be circulated for public consultation. Amendments would then be introduced to coincide with the 1 May 2023 national rule change commencement.

5. Electricity - Retail Quarterly Performance Reports

1st Energy, Aurora Energy, Shell Energy and Energy Locals have provided their performance reports for Quarters 1 and 2 of 2022-23 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.

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

Appendix A - Retailer performance



Table 1: Aurora Energy quarterly performance – residential

	2021-22	2021-22	2021-22	2022-23	2022-23
	Q2	Q3	Q4	Q1	Q2
Customer numbers					
standing offer	241 219	241 969	239 815	239 565	239 468
APAYG customers	10	8	6	6	6
Payment difficulties					
customers repaying a debt	9 678	10 649	11 252	13 414	18 806
average amount \$	1 278	1 187	972	772	718
debt over \$500 but less than or equal to \$1 500	2 763	2 675	2 317	2 350	3 441
debt over \$1 500 but less than or equal to \$2 500	1 073	1 092	904	808	1 076
debt over \$2 500	1 477	1 491	1 266	1 142	1 397
Payment plans					
customers on a payment plan	5 964	5 601	4 896	5 509	5 078
customers who had their plan cancelled for non-payment	6 108	5 730	3 467	3 534	2 860
customers with 2 or more plans cancelled in the prev 12 months	3 583	3 445	2 188	2 534	1 397
Disconnections					
residential disconnections	182	207	110	44	19
concession customers disconnected	95	113	56	16	11
customers disconnected who were on a payment plan in the prev 12 months	54	86	50	20	13
customers disconnected on more than once occasion in prev 24 months	7	3	4	1	0
Reconnections					
reconnections within 7 days	75	70	30	22	6
customers on a payment plan in the prev 12 months reconnected within 7 days	15	31	12	10	3
concession customers reconnected within 7 days	31	42	15	9	3
APAYG - Prepayment meter (PPM) customers					
PPM customers with a concession	2	2	2	2	1
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	4 791	4 540	4 169	4 257	4 510
hardship customers with a concession	3 396	3 183	2 953	2 931	3 110

	2021-22	2021-22	2021-22	2022-23	2022-23
	Q2	Q3	Q4	Q1	Q2
customers exiting the program	544	860	939	540	459
average debt upon entry to program \$	2 994	3 325	3 718	3 016	3 284
debt \$0 - \$500	33	24	24	30	56
debt over \$500 but less than or equal to \$1 500	198	167	106	128	216
debt over \$1 500 but less than or equal to \$2 500	164	129	94	78	125
debt over \$2 500	303	255	316	214	229
average debt \$	2 463	2 490	2 540	2 640	2 629
customers who successfully completed program	172	327	305	142	105
customers excluded from program for non-compliance	257	368	513	310	262
customers who transferred or left the retailer	115	165	121	88	92
Complaints (residential)					
billing	1 124	1 397	1 031	977	805
marketing	19	18	4	4	6
customer transfer	9	7	3	36	11
other	879	744	777	1 220	896
TOTAL	2 031	2 166	1 815	2 237	1 718

* 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

	2021-22	2021-22	2021-22	2022-23	2022-23
	Q2	Q3	Q4	Q1	Q2
Customer numbers					
standing offer	28 883	28 842	28 795	28 907	28 523
market contracts	5 260	5 236	5 364	5 230	4 955
Total small business	34 143	34 078	34 159	34 137	33 478
Payment difficulties					
customers repaying a debt	347	296	264	304	368
average customer debt \$	1 810	1 708	1 610	1 594	1 298
Disconnections					
small business customers	10	5	5	3	0
Reconnections					
reconnections within 7 days	1	1	1	0	0
Complaints					
billing	84	44	30	48	60
marketing	0	0	0	0	0
customer transfer	0	0	0	0	0
other	18	25	28	48	29
TOTAL	102	69	58	96	89

Table 3: 1st Energy quarterly performance – residential

	2021-22	2021-22	2021-22	2022-23	2022-23
	Q2	Q3	Q4	Q1	Q2
Customer numbers					
standing offer	37	68	72	91	98
market offer	8 752	9 471	10 985	12 372	13 120
Payment difficulties					
customers repaying a debt	170	186	161	125	221
average amount \$	551	526	381	503	549
debt over \$500 but less than or equal to \$1 500	31	43	30	24	54
debt over \$1 500 but less than or equal to \$2 500	10	8	7	7	11
debt over \$2 500	7	6	1	3	7
Payment plans					
customers on a payment plan	145	121	135	189	189
customers who had their plan cancelled for non-payment	60	43	78	84	152
customers with 2 or more plans cancelled in the prev 12 months	0	51	40	36	67
Disconnections					
residential disconnections	22	34	35	40	57
concession customers disconnected	10	17	15	18	23
customers disconnected who were on a payment plan in the prev 12 months	13	26	23	28	26
customers disconnected on more than one occasion in prev 24 months	2	11	13	9	7
Reconnections					
reconnections within 7 days	14	22	22	21	21
customers on a payment plan in the prev 12 months reconnected within 7 days	11	20	17	19	15
concession customers reconnected within 7 days	7	12	13	12	2
Hardship program					
customers on the hardship program	38	63	73	113	124
hardship customers with a concession	24	46	60	80	89
customers exiting the program	52	48	63	62	104
average debt upon entry to program	685	654	686	473	543
debt \$0 - \$500	23	42	45	74	79
debt over \$500 but less than or equal to \$1 500	9	19	20	20	23
debt over \$1 500 but less than or equal to \$2 500	1	6	5	4	6
debt over \$2 500	3	6	3	4	7
average debt \$	645	1 004	1 024	631	940
customers who successfully completed program	5	5	7	9	17
customers excluded from program for non-compliance	36	33	49	44	69
customers who transferred or left the retailer	11	10	7	9	18
Complaints (residential)					
billing	25	82	37	32	24
marketing	1	2	0	1	0
customer transfer	1	1	0	3	1
other	17	39	13	19	8
TOTAL	44	124	50	55	33



Table 4: 1st Energy quarterly performance – small business

	2021-22	2021-22	2021-22	2022-23	2022-23
	Q2	Q3	Q4	Q1	Q2
Customer numbers					
standing offer	8	14	9	16	14
market contracts	1 053	1 005	1 149	1 324	1 367
Total small business	1 061	1 019	1 158	1 340	1 381
Payment difficulties					
customers repaying a debt	27	22	14	7	15
average customer debt \$	1 958	2 042	1 428	2 599	471
Disconnections					
small business customers	2	2	5	0	4
Reconnections					
reconnections within 7 days	2	0	3	0	2
Complaints					
billing	2	6	0	1	0
marketing	0	1	0	0	0
customer transfer	0	0	0	1	0
other	3	2	2	1	0
TOTAL	5	9	2	3	0



Table 5: Shell Energy quarterly performance – small business

	2021-22	2021-22	2021-22	2022-23	2022-23
	Q2	Q3	Q4	Q1	Q2
Customer numbers					
standing offer	58	52	48	57	63
market contracts	69	68	61	53	49
Total small business	127	120	109	110	112
Payment difficulties					
customers repaying a debt	3	15	14	17	17
average customer debt \$	710	1 200	1 955	1 500	1 787
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

	2021-22	2021-22	2021-22	2022-23	2022-23
	Q2	Q3	Q4	Q1	Q2
Customer numbers					
standing offer	0	0	4	17	13
market offer	365	425	487	498	495
Total residential	365	425	491	515	508
Payment difficulties					
customers repaying a debt	3	7	0	6	6
average amount \$	521	0	0	829	846
debt over \$500 but less than or equal to \$1 500	3	3	0	3	3
debt over \$1 500 but less than or equal to \$2 500	0	1	2	1	2
debt over \$2 500	0	0	0	0	0
Payment plans					
customers on payment plan	6	4	5	9	6
customers who had their plan cancelled for non-payment	2	2	7	3	5
customers with 2 + plans cancelled (past 12 months)	1	0	3	0	0
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	2	6	7	10
hardship customers with a concession	0	2	2	5	5
customers exiting the program	0	0	3		6
average debt upon entry to program	0	17	891	0	474
debt \$0 - \$500	0	2	2	4	6
debt over \$500 but less than or equal to \$1 500	0	0	1	0	0
debt over \$1 500 but less than or equal to \$2 500	0	0	1	0	0

	2021-22	2021-22	2021-22	2022-23	2022-23
	Q2	Q3	Q4	Q1	Q2
debt over \$2 500	0	0	0	0	1
average debt \$	0	17	605	309	370
customers who successfully completed program	0	0	0	0	1
customers excluded for non-compliance	0	0	3	0	3
customers who transferred or left the retailer	0	0	0	0	2
Complaints (residential)					
billing	1	0	1	0	1
marketing	0	0	0	0	0
customer transfer	0	0	0	0	0
other	0	0	1	0	1
TOTAL	1	0	2	0	2

Table 7: Energy Locals quarterly performance – small business

	2021-22	2021-22	2021-22	2022-23	2022-23
	Q2	Q3	Q4	Q1	Q2
Customer numbers					
standing offer	0	0	1	5	4
market contracts	30	31	59	48	48
Total small business	30	31	60	53	52
Payment difficulties					
customers repaying a debt	0	3	3	0	0
average customer debt \$	0	151	151	0	0
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