

15 January 2021

Energy Team
Essential Services Commission (Victoria)
Level 8, 570 Bourke St
Melbourne Victoria 3000

Dear [REDACTED]

Compliance Reporting Performance Guideline feedback – Compliance reporting requirements

AusNet Services welcomes the opportunity to respond to the Essential Services Commission's (the **Commission**) proposed amendments to the Compliance Performing Reporting Guideline (**CPRG**) and associated breach reporting template.

Thank you for the consultation activities the Commission has taken to update and refine the CPRG and reporting template in line with the recent reforms that have amended the Electricity Distribution Code (**EDC**), Gas Distribution System Code (**GDSC**) and Energy Retail Code (**ERC**).

Reviewing and updating compliance reporting requirements in line with these recent reforms is a necessary step to ensure that those obligations that protect Victorian energy consumers with respect to price, quality, and reliability, are monitored, assessed, reported, and remediated (where necessary), as part of compliance frameworks.

Our feedback is provided in **Attachment 1**. Please note, this submission expands on the email feedback provided to the commission on 15 December 2020. Feedback provided can be categorised into two broad categories:

- a) Provision of distributor type 2 breaches; and
- b) Typographical & formatting.

If you have any questions about our submission or wish to discuss this in more detail, please contact [REDACTED] on [REDACTED] or at [REDACTED]

Sincerely

[REDACTED]
Senior Compliance Advisor
AusNet Services

Attachments:

- Attachment 1

Attachment 1

Document Type	Document reference	Feedback	Rationale for feedback
CPRG	Section 2.2	<p><i>Provision of distributor type 2 breaches: Categorise some obligations as a type 2 (breaches) with a quarterly reporting timeframe.</i></p> <p>All distributor obligations have been categorised as ‘Type 1’ with immediate reporting required (except monthly reporting of missed planned interruption notices for non-Life support customers).</p> <p>With an increase from 11 to 43 Type 1 breaches for reporting under the CPRG, we believe it is prudent to expand the breach types to include at a minimum, Type 2 breaches, and apply a less frequent reporting timeframe (e.g., aligned to Retailer breach rating system of Type 1 to 3, based on the apparent impact to customers).</p> <p>Given current requirement of Quarterly reporting, we would suggest aligning any Type 2 breaches with Quarterly reporting requirements.</p> <p>If you were to apply the same rationale as applied to Retailer Type 2 obligations, in that the impact to the customer is ‘moderate’ as opposed to ‘significant’, some of the Distributor Type 1 breaches listed in the reporting template could be reclassified.</p> <p>The obligations that could be reclassified based on the impact to the customer include:</p> <p>Clause 5.5.2B Failing to send a reminder notice to customers who have elected electronic communication would not have a ‘significant’ impact as these customers would have been advised of the interruption in line with notification requirements (clause 5.5.1). Failure to issue a reminder is poor service but given the intent of this obligation is only for a subset of customers (i.e., those who have elected electronic communication), is not a protection that targets vulnerable customers and is applicable to all customers, we would argue that a Type 1 category is disproportionate to its relevant impact. As such, we would see failure in meeting this obligation would not equate to a ‘significant’, (hence Type 1 category) impact, and that a lesser Type category (Type 2) would be more appropriate.</p>	<p>Breach categorisation and reporting requirements should be aligned to the relevant impact to the customer.</p> <p>Obligations that have a “significant” impact on customers should be categorised as a higher type obligation and be subject to stricter reporting regimes.</p> <p>The obligations in scope for breach reporting all relate to those obligations that ensure customer protections, however, we believe that the relevant impact to the customer in the event of distributor non-compliance may not constitute a “Significant” impact in all cases listed.</p> <p>With this in mind, we consider that those obligations where the impact is assessed as less than significant in the feedback column, should be rated as a Type 2.</p>

Document Type	Document reference	Feedback	Rationale for feedback
		<p><u>Clause 6.3B</u> The obligation has been written in a manner that dictates what data is to be used to determine payment eligibility. We posit that, providing that the customer’s eligibility has been calculated, using whatever data is available and deemed appropriate, is not of a significant impact to customers. Currently data eligibility can be determined using outage management system NMI level data (OMS). This is the same data that was provided to the commission to assist with modelling of GSL as part of the customer protection reforms.</p> <p><u>AMI Tariff Obligations</u> The obligations under the AMI tariff order have been all classified as Type 1. Whilst there is no dispute that a distributor must provide a customer relevant information to enable the customer to conduct comparisons on the Victorian Energy Compare site, this site has the ability for customers to fulfill a comparison request without the need to obtain this information from a retailer or distributor. This poses the question in that is there really a ‘significant’ impact if a distributor fails meet this requirement (hence a Type 1 categorisation) if the distributor fails to meet the obligation.</p>	
CPRG	Section 1.6	<p><i>Typographical & formatting</i></p> <p>Within section 1.6 of the CPRG, reference to clause 5.5.1 or 5.6.1c needs to be updated in line with the EDC amendments.</p> <p>Provided below are extracts from the current CPRG with amendments indicated in red text.</p> <p><i>Type 1 reports</i> <i>Distributors must provide initial notification of all type 1 breaches within two business days of identification, except for breaches of clause 5.5.1a of the Electricity Distribution Reporting requirements Essential Services Commission Code. We may request that further information be provided after receiving the initial notification. A full report of all type 1 breaches must be made on a quarterly basis.</i></p> <p><i>Table 1.2 amendments</i></p> <ul style="list-style-type: none"> • <i>Footnote 4 - Update the clause reference to 5.5.1a</i> 	<p>5.5.1a refers to missed planned interruption breaches where a no life support customer is impacted. These breaches are reported monthly.</p> <p>References to 5.6.1c to be replaced by 5.5.1b (which covers the planned interruption notices requirements for life support customers).</p>

Document Type	Document reference	Feedback	Rationale for feedback
		<ul style="list-style-type: none"> Reporting obligation column, row 2: Breaches related to Electricity Distribution Code clause 5.5.1a <p>Clause 5.5.1a Electricity Distribution Code reports Distributors must report breaches of clause 5.5.1a of the Electricity Distribution Code on a monthly basis.</p>	
CPRG	Section 1.6, 'Life support breaches' heading	<p>Typographical & formatting</p> <p>Remove this section. This information is already covered under the 'Type 1 reports' heading.</p> <p>Life support breaches <i>For breaches of clause 5.6.1(c) of the Electricity Distribution Code it is expected that the distributor will notify the commission of the potential non-compliance, as soon as the distributor becomes aware of it.</i></p> <p>Or, if the commission believes it is necessary to repeat this information, update clause reference from 5.6.1(c) to 5.5.1b and relocate this information under the timing of reports heading</p>	<p>The content of this passage relates to when a life support breach is to be reported to the commission. This information is already covered under the 'Type 1' report heading, which is under the broader 'Timing of reports' section which is a more sensible section for this information to be located.</p> <p>The current section this information is in is under "content of reports". The information on the life support breaches does not reflect detail about the form or content of life support breaches.</p>
CPRG	Nil Reports pg. 12	<p>Typographical & formatting</p> <p>We note this section refers to clause 1.6.2, but there is no clause 1.6.2 in the CPRG.</p> <p>Suspect that formatting the clause references have been omitted (e.g. Timing of reports should be 1.6.1; Format and content of reports – 1.6.2 ; 1.6.3 Report sign off – 1.6.3, & 1.6.4 Nil Reports – 1.6.4</p> <p>Note: the formatting error is also evident in 1.5 – retailer reporting obligations.</p>	Encourages easier reference to sections within the CPRG.
CPRG	Section 2.2 Table commencing pg. 29	<p>Typographical & formatting</p> <p>Include a subheading for 'Gas Distribution System Code' and list relevant obligations from the Gas Distribution System Code in this section.</p>	<p>Gas Distribution System Code (GDSC) obligations are currently under the 'other' heading.</p> <p>The proposed changes list a total of 8 obligations from the GDSC to be a type 1 obligation (currently there is 1).</p>
Template	Obligation worksheet:	<p>Typographical & formatting</p> <p>Include provision of the existing requirement of monthly reporting</p>	This obligation has been categorised as "Type 1 immediate reporting". The current process and expectation

Document Type	Document reference	Feedback	Rationale for feedback
	Row 2, column d		<p>is that life support customer missed planned interruption notices are to be reported immediately.</p> <p>Where we have failed to provide a non-life support customer a planned interruption notice, this is still considered a type 1 obligation, however we report these instances monthly. This is also reflected in table 1.2 (under section 1.6) in version 5 of the CPRG and is expected to remain the same as part of version 6 of the CPRG.</p>
Template	<p>Obligation worksheet:</p> <p>Row 21 and row 22</p>	<p>Typographical & formatting</p> <p>The description of these clauses is not correct as per the amendments published on 22 December 2020. Please align the description to the amended version of Electricity Distribution Code (EDC).</p>	<p>Ensures consistency with approved EDC obligations.</p>
Template	<p>Obligation worksheet:</p> <p>New item</p>	<p>Typographical & formatting</p> <p>Consider including "Other Material Breach as per Licensee requirement".</p>	<p>Gas and Electricity Licence requirements state that material breaches are to be reported to the Commission.</p> <p>It is possible a business may identify a 'material' breach that should be reported to the commission but is not considered one of the breach types listed in the workbook.</p> <p>The inclusion of this will:</p> <ul style="list-style-type: none"> a) Reinforce material breach licencees reporting requirements; and b) Ensure that breach templates can cater for these instances