

6 November 2003

Review into Guaranteed Customer Service
Standards and Operating Statistics
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

Attention **Mr Gary Drysdale**

GUARANTEED CUSTOMER SERVICE STANDARDS AND OPERATING STATISTICS ('GCSS')

Origin Energy appreciates the opportunity to provide comments on the Independent Pricing and Regulatory Tribunal's "Review into Guaranteed Customer Service Standards and Statistics Draft Recommendations" ('the Review').

General Comments

The Tribunal has indicated its intention that GCSS should continue to be used to establish minimum standards of service quality for individual customers. Origin Energy agrees that this is an appropriate approach. Energy retailers should be allowed the opportunity to find their own service levels above these minimum standards.

Origin is concerned that the ability to determine service standard breaches in all cases within the required timeframe may not be possible. Origin Energy believes that payments are not the most effective factor for encouraging performance by retailers nor does it consider automatic payments to be the most effective option to pursue. NSW energy customers now have increased ability to choose their retailer. Consequently, retailers who regularly fail to meet GCSS are likely to suffer a loss of customers, which is a more effective incentive to improve service standards than penalty payments.

Origin suggests that service level requirements specific to an integrated retailer/distributor as in the case of NSW Standard Retailers should not apply to second tier retailers due to their ability to integrate services and communicate with each other.

Origin Energy acknowledges that electricity retailers are required to report on a larger number of GCSS than gas retailers. It is reasonable to expect that regulators and customers would wish for a similar level of information concerning quality of gas retail service as electricity retail service.

Specific comments

Section 4.3 of the Review specifies the Tribunal's recommendations on GCSS for electricity and gas retailers.

Paragraph 4.3.1

The Tribunal's draft recommendation is that the appointment keeping GCSS should be removed for both electricity and gas retailers.

Origin Energy considers this an appropriate recommendation. Origin Energy agrees that GCSS relating to the keeping of appointments by energy retailers is redundant. Energy retailers generally do not make appointments with customers due to the nature of their operations.

Paragraph 4.3.2

The Tribunal has recommended that GCSS of retailers in relation to: telephone services; customer notification procedures prior to disconnection; customer notification procedures after disconnection; and recommencement of supply be retained as minimum standards either as GCSS or as licence conditions.

Origin does not support retention of GCSS for retail suppliers. Standards relating to disconnection and recommencement of supply are current licence obligations, executed through an obligation to comply with relevant regulations. Standards for telephone services, in a competitive market, are appropriately set through competition.

In Section 5 of the Review the Tribunal makes the following recommendations regarding operating statistics:

- *That operating statistics continue to be published on an annual basis;*
- *That all service quality statistics be published in a single, consolidated annual report;*
- *That the collection and publication of operating statistics be extended for the gas reticulation and retail sectors.*

Origin Energy is in agreement with the above recommendations. Origin Energy notes that the Tribunal's suggestion to consolidate all service quality statistics into a single report will allow regulators and consumers to more readily compare retailers' performance. Retailers will consequently have further encouragement to improve the quality of their service. While the extension of operating statistics for gas is consistent with the Tribunal's approach with other legislative matters.

Origin Energy thanks the Tribunal for the opportunity to make comment on its recommendations in the Review and would be happy to discuss its submission further should the Tribunal so desire.

Yours sincerely

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