

Queensland Competition Authority

Information Reporting

Small Electricity Customer Disconnection, Hardship and Complaint Statistics - December Quarter 2013 (Revised)

June 2014

Introduction

Clause 8.5.1 of the Electricity Industry Code (the Code) requires that the Authority monitor and publish information on the number of small electricity customer¹ disconnections and complaints.

As at 31 December 2013, there were three licensed distributors (Energex, Ergon Energy and Essential Energy) servicing 23 licensed retailers in Queensland, an increase of one from the previous quarter due to Macquarie Bank being issued a licence. Of the 23 retailers, only 15 supplied electricity to small customers.

Customer disconnections

The Authority defines disconnections to include all instances where the flow of energy to a small customer's premises is terminated. This includes all disconnections initiated by the retailer through the Australian Energy Market Operator's (AEMO) Market Settlement and Transfer Solution (MSATS) system with a service order status of "completed" and "partially completed" as per AEMO's *B2B Procedure: Service Order Process* (version 1.7, section 2.6.5). This measure includes all disconnections irrespective of the method of disconnection.

Retailer initiated disconnections

Clause 8.5.3 of the Code requires that electricity retailers provide information for the previous quarter relating to:

- (a) the total number of small business and residential customers who were disconnected
- (b) the number of small business and residential customers who were disconnected due to non-payment
- (c) the number of pensioners or concession card holders who were disconnected due to non-payment.

Clause 8.5.6 of the Code requires that distributors report quarterly the total number of small customer disconnections and the number of disconnections due to non-payment (separated into business and residential customers) that the distributor performed at the request of each retailer.

Retailer and distributor information on the number of small customers disconnected is provided in **Table 1**.

Overall, retailers reported 487 (or 1.5%) fewer disconnections than did distributors. This small difference is due mainly to timing differences between when retailers and distributors become aware that service order requests for disconnections have been completed.

In the previous quarter, Origin Energy's overall disconnection number was quite close to Energex's, although the breakdown of the total between business and residential customers showed a large variance. This discrepancy has now been resolved and the difference has decreased significantly.

¹ Small customers are defined as those consuming less than 100MWh of electricity per year and include small residential customers and small business customers.

Table 1 Small customer disconnections

<i>Retail entity</i>	<i>Business customers</i>		<i>Residential customers</i>		<i>Total</i>	
	<i>Retailer data</i>	<i>Distributor data</i>	<i>Retailer data</i>	<i>Distributor data</i>	<i>Retailer data</i>	<i>Distributor data</i>
AGL Sales	333	515	7,484	6,928	7,817	7,443
Australian Power and Gas	0	22	827	815	827	837
Click Energy	17	49	1,109	1,090	1,126	1,139
Cozero	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0
Diamond Energy	0	1	0	0	0	1
Dodo Power and Gas	0	0	1	0	1	0
EnergyAustralia ^a	125	186	1,214	1,880	1,339	2,066
Ergon Energy Queensland	1,000	1,000	4,776	4,776	5,776	5,776
ERM Power Retail	0	0	0	0	0	0
Essential Energy ^b	0	0	0	0	0	0
Lumo Energy	23	44	742	799	765	843
Momentum Energy	0	3	0	0	0	3
Origin Energy ^c	833	1,075	12,209	11,995	13,042	13,070
OzGen Retail	0	0	0	0	0	0
Powerdirect	121	125	167	163	288	288
Qenergy	65	66	44	43	109	109
Red Energy	0	1	0	0	0	1
Sanctuary Energy	0	6	6	2	6	8
Simply Energy	0	0	2	1	2	1
Stanwell ^d	0	0	0	0	0	0
TOTAL	2,517	3,093	28,581	28,492	31,098	31,585

a. Combines TRUenergy and EnergyAustralia from 8 October 2012. Also includes EnergyAustralia Yallourn.

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy.

d. Includes data for Tarong Energy.

Information from retailers and distributors related to disconnections for non-payment is presented in **Table 2**. Retailers reported 321 (4.9%) fewer disconnections for non-payment than did distributors. These discrepancies occur for the same reason mentioned above in relation to overall disconnections.

Table 2 Small customer disconnections due to non-payment

Retail entity	Business customers		Residential customers				Total	
	Retailer data	Distributor data	Retailer data			Distributor data	Retailer data	Distributor data
			Pensioner/ concession card holders	Others	Total			
AGL Sales	78	97	203	695	898	880	976	977
Australian Power and Gas	0	6	63	150	213	207	213	213
Click Energy	1	2	16	121	137	139	138	141
Cozero	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0
Diamond Energy	0	0	0	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0	0	0	0
EnergyAustralia ^a	75	86	25	142	167	303	242	389
Ergon Energy Queensland	56	56	743	2,059	2,802	2,802	2,858	2,858
ERM Power Retail	0	0	0	0	0	0	0	0
Essential Energy ^b	0	0	0	0	0	0	0	0
Lumo Energy	1	8	15	79	94	165	95	173
Momentum Energy	0	0	0	0	0	0	0	0
Origin Energy ^c	218	134	312	1,009	1,321	1,497	1,539	1,631
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	31	30	1	29	30	30	61	60
Qenergy	35	27	0	16	16	25	51	52
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0	0	0	0
Simply Energy	0	0	0	0	0	0	0	0
Stanwell ^d	0	0	0	0	0	0	0	0
TOTAL	495	446	1,378	4,300	5,678	6,048	6,173	6,494

a. Combines TRUenergy and EnergyAustralia from 8 October 2012. Also includes EnergyAustralia Yallourn.

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy.

d. Includes data for Tarong Energy.

Disconnections performed at the instigation of distributors

Clause 8.5.6 of the Code requires that all distributors provide information for the previous quarter relating to:

- (a) the total number of small business and residential customers who were disconnected at the instigation of the distributor

- (b) the total number of small business and residential customers who were disconnected at the instigation of the distributor due to non-payment of bills, safety reasons and 'other' reasons.

This information is shown in **Table 3**.

Table 3 Small customer disconnections performed at the instigation of the distributor

<i>Distribution entity</i>	<i>Due to non-payment</i>		<i>Safety reasons</i>		<i>Other reasons</i>		<i>Total</i>
	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>	
Energex	0	0	53	465	6	32	556
Ergon Energy	0	0	12	67	0	0	79
Essential Energy ^a	0	0	0	0	0	0	0
TOTAL	0	0	65	532	6	32	635

a. Named Country Energy prior to 1 March 2011.

Customer reconnections

Clause 8.5.3 of the Code requires that all electricity retailers provide information for the previous quarter relating to:

- (a) the total number of small business and residential customers who were reconnected with the same name at the premises after being disconnected due to non-payment
- (b) the total number of small business and residential customers who were reconnected within seven days with the same name at the premises after being disconnected due to non-payment
- (c) the number of pensioner or concession card holders who were reconnected with the same name at the premises after being disconnected due to non-payment for the previous quarter.

Reconnections occur when the flow of electricity to a small customer's premises has been restored after a disconnection. The measure includes service orders for reconnections completed in the quarter.

This information is shown in **Table 4**.

Table 4 Small customer reconnections, after being disconnected due to non-payment

Retail entity	Reconnections within 7 days			Total reconnections			
	Business customers	Residential customers	Total	Business customers	Residential customers		Total
					Pensioner/ Concession card holders	Others	
AGL Sales	15	276	291	36	71	424	531
Australian Power and Gas	0	92	92	0	29	67	96
Click Energy	0	48	48	0	11	37	48
Cozero	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0
Diamond Energy	0	0	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0	0	0
EnergyAustralia ^a	1	30	31	4	17	43	64
Ergon Energy Queensland	17	1,151	1,168	17	482	775	1,274
ERM Power Retail	0	0	0	0	0	0	0
Essential Energy ^b	0	0	0	0	0	0	0
Lumo Energy	0	42	42	0	5	37	42
Momentum Energy	0	0	0	0	0	0	0
Origin Energy ^c	30	727	757	56	212	674	942
OzGen Retail	0	0	0	0	0	0	0
Powerdirect	9	14	23	9	1	15	25
Qenergy	10	8	18	10	0	8	18
Red Energy	0	0	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0	0	0
Simply Energy	0	0	0	0	0	0	0
Stanwell ^d	0	0	0	0	0	0	0
TOTAL	82	2,388	2,470	132	828	2,080	3,040

a. Combines TRUenergy and EnergyAustralia from 8 October 2012. Also includes EnergyAustralia Yallourn.

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy.

d. Includes data for Tarong Energy.

Hardship program participation by small residential customers

Clause 8.5.3 of the Code requires that retailers provide information on the level of hardship program participation by small residential customers for the previous quarter. A hardship program allows for a

customer with payment difficulties to be removed from a retailer's normal debt collection activity, and allows extended payment arrangements.

The number of customers participating in a hardship program provides an indication of the level of energy affordability in the electricity market. This measure also reflects the effectiveness of retailers' programs to identify customers experiencing payment difficulties and retailers' general debt collection practices. In this case, "debt" is defined as the dollar amount which has been outstanding to the retailer for the sale or supply of electricity for a period of 90 days or more.

This information is shown in **Table 5**.

Table 5 Hardship program uptake by small residential customers

<i>Retail entities</i>	<i>Participating in a hardship program (#)</i>	<i>Denied access to a hardship program (#)</i>	<i>Exited a hardship program (#)</i>	<i>Average debt on entry into a hardship program (\$)</i>	<i>Average length of time a customer remained in a hardship program (days)</i>
AGL Sales	1,798	20	398	327	220
Australian Power and Gas	353	0	101	1,634	160
Click Energy	3	0	493	700	49
Cozero	0	0	0	0	0
CS Energy	0	0	0	0	0
Diamond Energy	0	0	0	0	0
Dodo Power and Gas	32	0	2	1,714	210
EnergyAustralia ^a	409	0	58	949	193
Ergon Energy Queensland	2,461	0	1,255	389	264
ERM Power Retail	0	0	0	0	0
Essential Energy ^b	0	0	0	0	0
Lumo Energy	147	0	52	516	238
Momentum Energy	0	0	0	0	0
Origin Energy ^c	1,862	0	891	876	119
OzGen Retail	0	0	0	0	0
Powerdirect	21	0	22	2,637	304
Qenergy	18	0	4	1,400	364
Red Energy	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0
Simply Energy	0	0	0	0	0

<i>Retail entities</i>	<i>Participating in a hardship program (#)</i>	<i>Denied access to a hardship program (#)</i>	<i>Exited a hardship program (#)</i>	<i>Average debt on entry into a hardship program (\$)</i>	<i>Average length of time a customer remained in a hardship program (days)</i>
Stanwell ^d	0	0	0	0	0
TOTAL	7,104	20	3,276	n/a	n/a

a. Combines TRUenergy and EnergyAustralia from 8 October 2012. Also includes EnergyAustralia Yallourn.

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy,

d. Includes data for Tarong Energy.

Customer complaints

Clause 8.5.4 of the Code requires that all electricity retailers provide quarterly information on the number of complaints received from their small business and residential customers in respect of their actions or omissions as a retailer for the following categories:

- (a) total complaints
- (b) billing or account complaints
- (c) marketing complaints
- (d) other complaints.

Complaints are defined as a written or verbal expression of dissatisfaction about an action, or a failure to act, or in respect of a product or service offered or provided, by an electricity entity.

This information is shown in **Table 6**.

The significant increase in complaints reported by Origin Energy is a result of a change in internal policy for capturing complaints, rather than an actual increase complaints received.

Table 6 Complaints received from small customers

<i>Retail entity</i>	<i>Billing/ account issues</i>		<i>Marketing issues</i>		<i>'Other' issues</i>		<i>Total</i>	
	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>
AGL Sales	182	2,391	10	263	144	2,494	336	5,148
Australian Power and Gas	0	66	0	0	0	8	0	74
Click Energy	1	53	0	9	0	0	1	62
COzero Retail	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0
Diamond Energy	0	2	0	0	0	0	0	2
Dodo Power and	0	234	0	1	0	49	0	284

Retail entity	Billing/ account issues		Marketing issues		'Other' issues		Total	
Gas								
EnergyAustralia ^a	45	810	1	24	26	290	72	1,124
Ergon Energy Queensland	44	451	1	18	22	242	67	711
ERM Power Retail	0	0	0	0	0	0	0	0
Essential Energy ^b	0	0	0	0	0	0	0	0
Lumo Energy	1	195	0	16	1	208	2	419
Momentum Energy	3	0	0	0	0	0	3	0
Origin Energy ^c	243	3,273	0	11	154	4,296	397	7,580
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	248	385	2	109	182	333	432	827
Qenergy	4	2	0	0	0	2	4	4
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	6	130	0	11	1	39	7	180
Simply Energy	0	3	0	1	0	2	0	6
Stanwell ^d	0	0	0	0	0	0	0	0
Total	777	7,995	14	463	530	7,963	1,321	16,421

a. Combines TRUenergy and EnergyAustralia from 8 October 2012. Also includes EnergyAustralia Yallourn.

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy

d. Includes data for Tarong Energy.