

# Queensland Competition Authority

Information Reporting

**Small Electricity Customer Disconnection, Hardship  
and Complaint Statistics - June Quarter 2014**

September 2014

## Introduction

Clause 8.5.1 of the Electricity Industry Code (the Code) requires that the QCA monitor and publish information on the number of small electricity customer<sup>1</sup> disconnections and complaints.

As at 30 June 2014, there were three licensed distributors (Energex, Ergon Energy and Essential Energy) servicing 24 licensed retailers in Queensland. Of the 24 retailers, only 16 supplied electricity to small customers.

## Customer disconnections

The QCA 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 112 (or 0.3%) more 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.

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<sup>1</sup> 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 <sup>a</sup>	368	550	7,538	6,777	7,906	7,327
Click Energy	41	85	1,397	1,357	1,438	1,442
COZero	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0
Diamond Energy	0	3	8	9	8	12
Dodo Power and Gas	0	0	1	3	1	3
EnergyAustralia <sup>b</sup>	96	181	1,775	1,845	1,871	2,026
Ergon Energy Queensland	1,031	1,031	6,010	6,010	7,041	7,041
ERM Power Retail	0	3	0	0	0	3
Lumo Energy	32	62	1,033	1,161	1,065	1,223
Momentum Energy	8	1	0	0	8	1
Origin Energy <sup>c</sup>	856	1,260	12,228	11,990	13,084	13,250
OzGen Retail	0	0	0	0	0	0
Powerdirect	112	118	239	237	351	355
Qenergy	124	95	48	52	172	147
Red Energy	0	3	0	0	0	3
Sanctuary Energy	0	5	7	2	7	7
Simply Energy	0	0	5	5	5	5
Stanwell <sup>d</sup>	0	0	0	0	0	0
<b>TOTAL</b>	<b>2,668</b>	<b>3,397</b>	<b>30,289</b>	<b>29,448</b>	<b>32,957</b>	<b>32,845</b>

a. Includes Australian Power and Gas from June quarter 2014.

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

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 291 (3.8%) 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 <sup>a</sup>	77	101	183	740	923	917	1,000	1,018
Click Energy	21	37	86	234	320	306	341	343
COZero	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0
Diamond Energy	0	1	2	6	8	9	8	10
Dodo Power and Gas	0	0	1	1	2	2	2	2
EnergyAustralia <sup>b</sup>	39	51	13	125	138	203	177	254
Ergon Energy Queensland	162	162	891	2,590	3,481	3,481	3,643	3,643
ERM Power Retail	0	0	0	0	0	0	0	0
Lumo Energy	7	16	16	83	99	248	106	264
Momentum Energy	1	0	0	0	0	0	1	0
Origin Energy <sup>c</sup>	165	200	150	1,574	1,724	1,720	1,889	1,920
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	32	32	9	39	48	49	80	81
Qenergy	45	46	0	16	16	18	61	64
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	1	0	1	1	0	1	1
Simply Energy	0	0	0	0	0	0	0	0
Stanwell <sup>d</sup>	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>549</b>	<b>647</b>	<b>1,351</b>	<b>5,409</b>	<b>6,760</b>	<b>6,953</b>	<b>7,309</b>	<b>7,600</b>

a. Includes Australian Power and Gas from June quarter 2014.

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

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:

- the total number of small business and residential customers who were disconnected at the instigation of the distributor
- 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	90	438	13	53	594
Ergon Energy	0	0	30	70	0	0	100
Essential Energy <sup>a</sup>	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>120</b>	<b>508</b>	<b>13</b>	<b>53</b>	<b>694</b>

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.

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 <sup>a</sup>	11	267	278	34	59	244	337
Click Energy	5	140	145	5	51	92	148
COZero	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0
Diamond Energy	0	7	7	0	2	5	7
Dodo Power and Gas	0	0	1	0	0	0	0
EnergyAustralia <sup>b</sup>	3	13	16	3	8	16	27
Ergon Energy Queensland	69	1,792	1,861	77	529	1,352	1,958
ERM Power Retail	0	0	0	0	0	0	0
Lumo Energy	5	47	52	8	6	43	57
Momentum Energy	1	0	1	1	0	0	1
Origin Energy <sup>c</sup>	31	439	470	41	40	455	536
OzGen Retail	0	0	0	0	0	0	0
Powerdirect	8	16	24	9	6	11	26
Qenergy	17	12	29	17	0	12	29
Red Energy	0	0	0	0	0	0	0
Sanctuary Energy	0	1	1	0	0	1	1
Simply Energy	0	0	0	0	0	0	0
Stanwell <sup>d</sup>	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>150</b>	<b>2,734</b>	<b>2,885</b>	<b>195</b>	<b>701</b>	<b>2,231</b>	<b>3,127</b>

a. Includes Australian Power and Gas from June quarter 2014.

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

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 <sup>a</sup>	2,617	32	886	374	224
Click Energy	18	0	50	380	56
COZero	0	0	0	0	0
CS Energy	0	0	0	0	0
Diamond Energy	6	0	0	981	0
Dodo Power and Gas	88	0	10	960	146
EnergyAustralia <sup>b</sup>	747	0	125	857	165
Ergon Energy Queensland	3,209	0	1,444	388	196
ERM Power Retail	0	0	0	0	0
Lumo Energy	282	0	81	472	208
Momentum Energy	0	0	0	0	0
Origin Energy <sup>c</sup>	2,370	0	388	1,004	318
OzGen Retail	0	0	0	0	0
Powerdirect	37	0	3	2,071	298
Qenergy	28	0	2	1,200	364
Red Energy	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0
Simply Energy	0	0	0	0	0
Stanwell <sup>d</sup>	0	0	0	0	0
<b>TOTAL</b>	<b>9,402</b>	<b>32</b>	<b>2,989</b>	<b>n/a</b>	<b>n/a</b>

a. Includes Australian Power and Gas from June quarter 2014.

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

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 reflects a change in internal policy to capture more information from customers to improve customer service, rather than an increase in actual 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 <sup>a</sup>	303	3,849	19	235	240	3,413	561	7,497
Click Energy	0	43	0	4	1	29	1	76
COZero	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	1	0	3
Dodo Power and Gas	0	75	0	1	0	19	0	95
EnergyAustralia <sup>b</sup>	65	880	3	28	47	612	115	1,520
Ergon Energy Queensland	46	349	1	9	32	267	79	625
ERM Power Retail	0	0	0	0	0	0	0	0
Lumo Energy	9	226	2	28	6	262	17	516
Momentum Energy	8	0	0	0	2	0	10	0
Origin Energy <sup>c</sup>	299	4,241	0	4	333	12,128	632	16,373
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	234	335	9	112	276	343	519	790
Qenergy	15	20	0	0	0	0	15	20
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	2	117	0	1	0	4	2	122

<b>Retail entity</b>	<b>Billing/ account issues</b>		<b>Marketing issues</b>		<b>'Other' issues</b>		<b>Total</b>	
Simply Energy	0	4	0	0	0	3	0	7
Stanwell <sup>d</sup>	0	0	0	0	0	0	0	0
<b>TOTAL</b>	981	10,141	34	422	937	17,081	1,952	27,644

- a. Includes Australian Power and Gas from June quarter 2014.
- b. Combines TRUenergy and EnergyAustralia from 8 October 2012. Also includes EnergyAustralia Yallourn.
- c. Includes data for Sun Retail and Integral Energy.
- d. Includes data for Tarong Energy.