

# Queensland Competition Authority

Information Reporting

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

December 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 September 2014, there were three licensed distributors (Energex, Ergon Energy and Essential Energy) and 16 retailers supplying 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 2.2, 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 396 (or 1.1%) fewer disconnections than did distributors. Retailers have been asked to investigate these discrepancies, although we expect that part of the difference is due 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>	433	647	8,494	7,541	8,927	8,188
Click Energy	32	65	1,209	1,179	1,241	1,244
COZero	0	0	0	0	0	0
CS Energy	0	1	0	0	0	1
Diamond Energy	0	7	3	4	3	11
Dodo Power and Gas	0	1	27	26	27	27
EnergyAustralia <sup>b</sup>	101	170	1,423	1,822	1,524	1,992
Ergon Energy Queensland	1,180	1,180	5,775	5,775	6,955	6,955
ERM Power Retail	0	0	0	0	0	0
Lumo Energy	29	55	1,265	1,398	1,294	1,453
Momentum Energy	0	3	0	2	0	5
Origin Energy <sup>c</sup>	932	1,401	13,013	13,008	13,945	14,409
OzGen Retail	0	0	0	0	0	0
Powerdirect	138	140	262	257	400	397
Qenergy	98	86	41	80	139	166
Red Energy	0	2	0	0	0	2
Sanctuary Energy	0	5	6	2	6	7
Simply Energy	0	0	12	12	12	12
Stanwell <sup>d</sup>	0	0	0	0	0	0
<b>TOTAL</b>	<b>2,943</b>	<b>3,763</b>	<b>31,530</b>	<b>31,106</b>	<b>34,473</b>	<b>34,869</b>

a. Note: all Australian Power and Gas customers were transferred to AGL in April 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 353 (4.4%) 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>	122	159	337	1,022	1,359	1,321	1,481	1,480
Click Energy	8	10	46	113	159	157	167	167
COZero	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0
Diamond Energy	0	1	0	3	3	3	3	4
Dodo Power and Gas	0	1	1	26	27	26	27	27
EnergyAustralia <sup>b</sup>	33	56	7	76	83	147	116	203
Ergon Energy Queensland	180	180	752	2,243	2,995	2,995	3,175	3,175
ERM Power Retail	0	0	0	0	0	0	0	0
Lumo Energy	5	14	14	124	138	288	143	302
Momentum Energy	0	0	0	0	0	0	0	0
Origin Energy <sup>c</sup>	223	286	242	2,042	2,284	2,333	2,507	2,619
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	31	30	2	19	21	21	52	51
Qenergy	20	19	0	8	8	6	28	25
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	2	1	1	2	1	2	3
Simply Energy	0	0	2	3	5	3	5	3
Stanwell <sup>d</sup>	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>622</b>	<b>758</b>	<b>1,404</b>	<b>5,680</b>	<b>7,084</b>	<b>7,301</b>	<b>7,706</b>	<b>8,059</b>

a. Note: all Australian Power and Gas customers were transferred to AGL in April 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:

- (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	88	487	20	56	651
Ergon Energy	0	0	33	43	0	0	76
Essential Energy <sup>a</sup>	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>121</b>	<b>530</b>	<b>20</b>	<b>56</b>	<b>727</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>	23	445	468	44	124	649	817
Click Energy	2	74	76	2	22	56	80
COZero	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0
Diamond Energy	0	3	3	0	0	3	3
Dodo Power and Gas	0	2	2	0	0	4	4
EnergyAustralia <sup>b</sup>	3	13	16	3	4	15	22
Ergon Energy Queensland	85	1,369	1,454	91	415	1,052	1,558
ERM Power Retail	0	0	0	0	0	0	0
Lumo Energy	2	63	65	2	1	64	67
Momentum Energy	0	0	0	0	0	0	0
Origin Energy <sup>c</sup>	65	994	1,059	71	28	1,059	1,158
OzGen Retail	0	0	0	0	0	0	0
Powerdirect	13	11	24	13	1	11	25
Qenergy	12	1	13	12	0	1	13
Red Energy	0	0	0	0	0	0	0
Sanctuary Energy	0	2	2	0	1	1	2
Simply Energy	0	0	0	0	0	0	0
Stanwell <sup>d</sup>	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>205</b>	<b>2,977</b>	<b>3,182</b>	<b>238</b>	<b>596</b>	<b>2,915</b>	<b>3,749</b>

a. Note: all Australian Power and Gas customers were transferred to AGL in April 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>	2,169	14	496	504	254
Click Energy	7	0	25	504	63
COZero	0	0	0	0	0
CS Energy	0	0	0	0	0
Diamond Energy	3	0	5	623	0
Dodo Power and Gas	146	0	35	1,227	146
EnergyAustralia <sup>b</sup>	861	0	246	855	184
Ergon Energy Queensland	3,242	0	1,559	726	190
ERM Power Retail	0	0	0	0	0
Lumo Energy	355	0	69	464	208
Momentum Energy	0	0	0	0	0
Origin Energy <sup>c</sup>	4,563	0	472	881	243
OzGen Retail	0	0	0	0	0
Powerdirect	46	0	13	1,629	298
Qenergy	27	0	1	1,000	365
Red Energy	0	0	0	0	0
Sanctuary Energy	1	0	0	0	28
Simply Energy	2	0	0	0	67
Stanwell <sup>d</sup>	0	0	0	0	0
<b>TOTAL</b>	<b>11,422</b>	<b>14</b>	<b>2,921</b>	<b>n/a</b>	<b>n/a</b>

a. Note: all Australian Power and Gas customers were transferred to AGL in April 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**.

There has been a significant increase in the number of complaints reported by Origin Energy over the past 12 months. Origin advised that it changed its internal policy in November 2013 to capture more information from customers to improve customer service. This may have led to an increase in the numbers of complaints without necessarily reflecting an increase in actual complaints received. However, the number of complaints reported by Origin has continued to increase, and we are following up with Origin for an explanation.

**Table 6 Complaints received from small customers**

Retail entity	Billing/ account issues		Marketing issues		'Other' issues		Total	
	Business customers	Residential customers	Business customers	Residential customers	Business customers	Residential customers	Business customers	Residential customers
AGL Sales <sup>a</sup>	348	4,276	24	409	223	2,368	595	7,053
Click Energy	0	70	0	2	0	24	0	96
COZero	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0
Diamond Energy	0	3	0	1	0	2	0	6
Dodo Power and Gas	0	47	0	1	0	22	0	70
EnergyAustralia <sup>b</sup>	64	731	1	30	36	585	101	1,346
Ergon Energy Queensland	34	343	0	6	29	255	63	604
ERM Power Retail	0	0	0	0	0	0	0	0
Lumo Energy	7	258	1	19	10	321	18	598
Momentum Energy	8	0	0	0	0	0	8	0
Origin Energy <sup>c</sup>	438	7,346	3	44	559	15,165	1,000	22,555
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	388	176	35	3	143	86	566	265
Qenergy	8	6	0	0	0	0	8	6
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	10	0	1	1	132	1	143
Simply Energy	0	9	0	8	0	7	0	24
Stanwell <sup>d</sup>	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,295</b>	<b>13,275</b>	<b>64</b>	<b>524</b>	<b>1,001</b>	<b>18,967</b>	<b>2,360</b>	<b>32,766</b>

a. Note: all Australian Power and Gas customers were transferred to AGL in April 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.