

SMALL ELECTRICITY CUSTOMER DISCONNECTION, HARDSHIP AND COMPLAINTS STATISTICS – SEPTEMBER QUARTER 2011

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.

From the start of 2010-11, retailers have been required to report disconnections, hardships and complaints data quarterly and in greater detail than previously required by the Code. Distributors are also required to report quarterly on the number of disconnections they have performed at the request of each retailer and the number of disconnections performed at their own instigation.

As at 30 September 2011, there were two licensed distributors (Energex and Ergon Energy) servicing 23 licensed retailers in Queensland². This is three fewer retailers than reported for the June quarter due to the exit of Independent Electricity Retail Solutions, the phasing out of the retail licence held by Ausgrid (a transitional arrangement following the sale of their predecessor business, Energy Australia) and the restructure of government-owned generators, which resulted in Tarong Energy becoming a subsidiary of Stanwell. In addition, on 29 July 2011, Greenbox sold its retail subsidiary, Jackgreen, to COzero Retail Pty Ltd, which is now trading as COzero Retail. Of the 23 retailers, only 12 supplied electricity to small customers, up one from the last quarter due to Dodo Power and Gas recently obtaining 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; and
- (c) the number of pensioners or concession card holders who were disconnected due to non-payment.

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

² Some retailers hold more than one license.

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 more disconnections (1,023 or 2.8%) than did distributors. Such a discrepancy may be due partly to slight timing differences between when retailers and distributors become aware that service order requests for disconnections have been completed. However, larger discrepancies for some retailers may indicate poor quality data being reported by these retailers

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	414	298	7,885	7,625	8,299	7,923
Aurora Energy	0	0	0	0	0	0
Australian Power and Gas	0	0	817	840	817	840
Click Energy	8	10	210	208	218	218
COzero Retail	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0
Diamond Energy	0	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0	0
Ergon Energy Queensland	838	838	5,235	5,235	6,073	6,073
ERM Power Retail	0	0	0	0	0	0
Essential Energy ^a	0	0	0	0	0	0
Flinders Operating Services	0	0	0	0	0	0
Lumo Energy	6	21	899	850	905	871
Momentum Energy	0	0	0	0	0	0
Origin Energy	1107	1,341	16,211	16,994	17,318	18,335
OzGen Retail	0	0	0	0	0	0
Powerdirect	100	105	150	151	250	256
Qenergy	18	12	0	4	18	16
Red Energy	0	0	0	0	0	0
Sanctuary Energy	1	1	1	1	2	2
Simply Energy	0	0	0	0	0	0
Stanwell ^b	0	0	0	0	0	0
TRUenergy	115	84	3,529	1,903	3,644	1,987
Total	2,607	2,710	34,937	35,437	37,544	36,521

a. Named Country Energy prior to 1 March 2011.

b. Includes disconnections performed by Tarong Energy.

Information from retailers and distributors related to disconnections for non-payment is presented in **Table 2**.

Table 2: Small customer disconnections due to non-payment

<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>
			<i>Pensioner/ concession card holders</i>	<i>Others</i>	<i>Total</i>			
AGL Sales	15	27	233	1,540	1,773	1,773	1,788	1,800
Aurora Energy	0	0	0	0	0	0	0	0
Australian Power and Gas	0	0	34	70	104	119	104	119
Click Energy	1	1	5	17	22	22	23	23
COzero Retail	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
Ergon Energy Queensland	128	128	596	2,481	3,077	3,077	3,205	3,205
ERM Power Retail	0	0	0	0	0	0	0	0
Essential Energy ^a	0	0	0	0	0	0	0	0
Flinders Operating Services	0	0	0	0	0	0	0	0
Lumo Energy	6	4	5	110	115	149	121	153
Momentum Energy	0	0	0	0	0	0	0	0
Origin Energy	299	298	341	1,859	2,200	2,187	2,499	2,485
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	19	20	0	12	12	12	31	32
Qenergy	0	0	0	0	0	0	0	0
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 ^b	0	0	0	0	0	0	0	0
TRUenergy	15	41	10	70	80	189	95	230
Total	483	519	1,224	6,159	7,383	7,528	7,866	8,047

a. Named Country Energy prior to 1 March 2011.

b. Includes disconnections performed by 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; and
- (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.

Table 3 shows the number of disconnections performed at the instigation of the distributors during the September quarter 2011.

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	27	260	46	115	448
Ergon Energy	0	0	7	22	0	0	29
Country Energy	0	0	0	0	0	0	0
Total	0	0	34	282	46	115	477

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; and
- (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

<i>Retail entity</i>	<i>Reconnections within 7 days</i>			<i>Total reconnections</i>			
	<i>Business customers</i>	<i>Residential customers</i>	<i>Total</i>	<i>Business customers</i>	<i>Residential customers</i>		<i>Total</i>
					<i>Pensioner/ Concession card holders</i>	<i>Others</i>	
AGL Sales	0	780	780	4	106	1,108	1,218
Aurora Energy	0	0	0	0	0	0	0
Australian Power and Gas	0	35	35	0	17	19	36
Click Energy	0	9	9	0	4	5	9
COzero Retail	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
Ergon Energy Queensland	78	2,189	2,267	82	473	1,851	2,406
ERM Power Retail	0	0	0	0	0	0	0
Essential Energy ^a	0	0	0	0	0	0	0
Flinders Operating Services	0	0	0	0	0	0	0
Lumo Energy	0	10	10	0	0	10	10
Momentum Energy	0	0	0	0	0	0	0
Origin Energy	96	1,081	1,177	108	206	972	1,286
OzGen Retail	0	0	0	0	0	0	0
Powerdirect	7	7	14	7	0	7	14
Qenergy	0	0	0	0	0	0	0
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 ^b	0	0	0	0	0	0	0
TRUenergy	5	34	39	5	4	30	39
Total	186	4,145	4,331	206	810	4,002	5,018

a. Named Country Energy prior to 1 March 2011.

b. Includes reconnections performed by 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 allowed 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. The reported 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	702	0	167	426	220
Aurora Energy	0	0	0	0	0
Australian Power and Gas	42	0	0	797	62
Click Energy	13	0	0	365	137.5
COzero Retail	0	0	0	0	0
CS Energy	0	0	0	0	0
Diamond Energy	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0
Ergon Energy Queensland	4,454	0	906	696	181
ERM Power Retail	0	0	0	0	0
Essential Energy ^a	0	0	0	0	0
Flinders Operating Services	0	0	0	0	0
Lumo Energy	4	0	3	1,165	345
Momentum Energy	0	0	0	0	0
Origin Energy	2,012	0	569	422	364
OzGen Retail	0	0	0	0	0
Powerdirect	3	0	2	576	105
Qenergy	0	0	0	0	0
Red Energy	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0
Simply Energy	0	0	0	0	0
Stanwell ^b	0	0	0	0	0
TRUenergy	79	0	30	810	140
Total	7,309	0	1,677	n/a	n/a

a. Named Country Energy prior to 1 March 2011.

b. 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; and
- (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**.

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	75	890	3	30	49	910	127	1,830
Aurora Energy	0	0	0	0	0	0	0	0
Australian Power and Gas	0	32	0	27	0	9	0	68
Click Energy	3	12	0	3	0	9	3	24
COzero Retail	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	5	0	1	0	23	0	29
Ergon Energy Queensland	245	849	0	9	38	398	283	1,256
ERM Power Retail	0	0	0	0	0	0	0	0
Essential Energy ^a	0	0	0	0	0	0	0	0
Flinders Operating Services	0	0	0	0	0	0	0	0
Lumo Energy	3	707	2	146	4	1,216	9	2,069
Momentum Energy	0	0	0	0	0	0	0	0
Origin Energy	43	1,142	7	125	20	471	70	1,738
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	3	8	0	0	4	11	7	19
Qenergy	3	3	0	1	4	3	7	7
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	40	0	3	0	6	0	49
Simply Energy	0	0	0	0	0	0	0	0
Stanwell ^b	0	0	0	0	0	0	0	0
TRUenergy	7	207	1	93	6	160	14	460
Total	382	3,895	13	438	125	3,216	520	7,549

a. Named Country Energy prior to 1 March 2011.

b. Includes complaints received by Tarong Energy.