

# Queensland Competition Authority

## Information Reporting

### Small Gas Customer Disconnection, Hardship and Complaint Statistics - September Quarter 2013 (Revised)

June 2014

## Introduction

Clause 5.5.1 of the Gas Industry Code (the Code) requires that the QCA monitor and publish information on the number of small gas customer<sup>1</sup> disconnections, and complaints.

During the September quarter 2013, there were four gas distributors and seven gas retailers in Queensland (AGL and Origin Energy each hold two retail licences). Maranoa Regional Council and Western Downs Regional Council each hold distribution and retail licences that permit them to retail gas to customers only within their specific distribution areas.

## Customer disconnections

The QCA defines disconnections to include all instances where a small customer's gas supply has been physically terminated by the distributor irrespective of the method of disconnection.

## Retailer initiated disconnections

Clause 5.5.2 of the Code requires that all gas 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 5.5.4 of the Code requires all distributors to 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**. Information from retailers and distributors related to disconnections for non-payment is presented in **Table 2**.

Overall, retailers reported 146 (14.5%) more disconnections than distributors. Discrepancies may be due partly to slight timing differences between when retailers and distributors become aware that service order requests for disconnections have been completed. When first published, there was a large discrepancy this quarter caused by Origin, which reported 400 fewer disconnections than distributors. Origin has since re-submitted their report and the discrepancy is much smaller.

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<sup>1</sup> A small gas customer is defined as a residential or business customer whose gas consumption is under one terajoule per year.

**Table 1 Total small customer disconnections**

<i>Retail entity</i>	<i>Small business customers</i>		<i>Small 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	34	36	334	308	368	344
Australian Power and Gas	0	1	38	40	38	41
Dodo Power & Gas	0	0	0	0	0	0
Origin Energy	115	75	565	480	680	555
Simply Energy	0	0	0	0	0	0
Maranoa Regional Council	1	1	21	21	22	22
Western Downs Regional Council	0	0	47	47	47	47
<b>Total</b>	<b>150</b>	<b>113</b>	<b>1,005</b>	<b>896</b>	<b>1,155</b>	<b>1,009</b>

**Table 2 Small customer disconnections due to non-payment**

<i>Retail entity</i>	<i>Small business customers</i>		<i>Small 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	26	25	37	167	204	148	230	173
Australian Power and Gas	0	1	3	29	32	31	32	32
Dodo Power & Gas	0	0	0	0	0	0	0	0
Origin Energy	26	41	2	170	172	285	198	326
Simply Energy	0	0	0	0	0	0	0	0
Maranoa Regional Council	0	0	0	0	0	0	0	0
Western Downs Regional Council	0	0	0	0	0	0	0	0
<b>Total</b>	<b>52</b>	<b>67</b>	<b>42</b>	<b>366</b>	<b>408</b>	<b>464</b>	<b>460</b>	<b>531</b>

## Disconnections performed at the instigation of the distributors

Clause 5.5.4 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 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>Small business customers</i>	<i>Small residential customers</i>	<i>Small business customers</i>	<i>Small residential customers</i>	<i>Small business customers</i>	<i>Small residential customers</i>	<i>Small business customers</i>	<i>Small residential customers</i>
APT Allgas Energy	0	0	1	5	6	22	7	27
Envestra Ltd	0	0	3	8	10	35	13	43
Maranoa Regional Council	0	0	0	0	0	0	0	0
Western Downs Regional Council	0	0	0	0	0	0	0	0
Total	0	0	4	13	16	57	20	70

## Customer reconnections

Clause 5.5.2 of the Code requires that all gas retailers provide information for the previous quarter relating to:

- (c) 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
- (d) 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
- (e) 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 gas to a small customer's premises has been restored after a disconnection.

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>Small business customers</i>	<i>Small residential customers</i>	<i>Total</i>	<i>Small business customers</i>	<i>Small residential customer</i>		<i>Total</i>
					<i>Pensioner/concession card holders</i>	<i>Others</i>	
AGL Sales	6	49	55	6	37	78	121
Australian Power and Gas	0	6	6	0	3	9	12
Dodo Power & Gas	0	0	0	0	0	0	0
Origin Energy	1	17	18	2	2	41	45
Simply Energy	0	0	0	0	0	0	0
Maranoa Regional Council	0	0	0	0	0	0	0
Western Downs Regional Council	0	0	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>72</b>	<b>79</b>	<b>8</b>	<b>42</b>	<b>128</b>	<b>178</b>

### Hardship program participation by small residential customers

Clause 5.5.2 of the Code requires that retailers provide information on the level of hardship program participation by small residential customers for the previous quarter (see **Table 5**). 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 gas 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 gas for a period of 90 days or more.

**Table 5** Hardship program participation by small residential customers

<i>Retail entity</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	181	0	37	242	205
Australian Power and Gas	6	6	9	602	51
Dodo Power & Gas	0	0	0	n/a	n/a
Origin Energy	78	0	14	793	105
Simply Energy	0	0	0	n/a	n/a
Maranoa Regional Council	0	0	0	0	0
Western Downs Regional Council	0	0	0	0	0
Total	265	6	60	n/a	n/a

### Customer complaints

Clause 5.5.3 of the Code requires that gas 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, in 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 a gas retailer.

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>Small business customers</i>	<i>Small residential customers</i>	<i>Small business customers</i>	<i>Small residential customers</i>	<i>Small business customers</i>	<i>Small residential customers</i>	<i>Small business customers</i>	<i>Small residential customers</i>
AGL Sales	26	198	1	4	15	260	42	462
Australian Power and Gas	0	6	0	0	0	1	0	7
Dodo Power & Gas	0	0	0	0	0	0	0	0
Origin Energy	9	144	0	1	4	123	13	268
Simply Energy	0	0	0	0	0	0	0	0
Maranoa Regional Council	1	6	0	0	0	1	1	7
Western Downs Regional Council	0	0	0	0	0	0	0	0
<b>Total</b>	<b>36</b>	<b>354</b>	<b>1</b>	<b>5</b>	<b>19</b>	<b>385</b>	<b>56</b>	<b>744</b>