

SMALL GAS CUSTOMER DISCONNECTIONS, HARDSHIP AND COMPLAINTS STATISTICS – JUNE QUARTER 2012

Introduction

Clause 5.5.1 of the Gas Industry Code (the Code) requires that the Authority monitor and publish information on the number of small gas customer¹ disconnections, and complaints.

During the June quarter 2012, 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 licenses that permit them to retail gas to customers only within their specific distribution areas.

Customer disconnections

The Authority 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; and
- (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 373 (36.9%) 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. However, the current discrepancy is largely due to poor quality data supplied by Origin.

Origin Energy has experienced a series of reporting issues due to complications arising from the migration to its new management system. For the March quarter 2012, Origin was unable to report customer disconnections. For the June quarter 2012, Origin was able to provide

¹ A small gas customer is defined as a residential or business customer whose gas consumption is under one terajoule per annum.

customer disconnections, but could only provide estimates of customer reconnections based on data from previous quarters. Origin believes it has fixed the system errors causing these reporting issues and expects to be able to provide actual disconnections data for the September quarter 2012.

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	12	15	667	543	679	558
Australian Power and Gas	0	0	23	22	23	22
Dodo Power & Gas	0	0	0	0	0	0
Origin Energy	25	20	627	410	652	430
Simply Energy	0	0	0	0	0	0
Maranoa Regional Council	0	0	15	0	15	0
Western Downs Regional Council	0	0	14	0	14	0
<i>Total</i>	<i>37</i>	<i>35</i>	<i>1,346</i>	<i>975</i>	<i>1,383</i>	<i>1,010</i>

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	10	12	32	500	532	485	542	497
Australian Power and Gas	0	0	9	10	19	18	19	18
Dodo Power & Gas	0	0	0	0	0	0	0	0
Origin Energy	11	14	47	230	277	351	288	365
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	14	14	0	14	0
<i>Total</i>	<i>21</i>	<i>26</i>	<i>88</i>	<i>754</i>	<i>842</i>	<i>854</i>	<i>863</i>	<i>880</i>

Disconnections performed at the instigation of 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; 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.

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	2	10	7	15	9	25
Envestra Ltd	0	0	0	2	0	10	0	12
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	2	12	7	25	9	37

Customer reconnections

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 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 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 customer</i>	<i>Small residential customer</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	2	160	162	5	14	278	297
Australian Power and Gas	0	6	6	0	3	4	7
Dodo Power & Gas	0	0	0	0	0	0	0
Origin Energy	2	8	10	2	3	8	13
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
<i>Total</i>	<i>4</i>	<i>174</i>	<i>178</i>	<i>7</i>	<i>20</i>	<i>290</i>	<i>317</i>

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	88	1	10	361	218
Australian Power and Gas	8	0	0	253	162
Dodo Power & Gas	0	0	0	0	0
Origin Energy	52	0	0	488	442
Simply Energy	0	0	0	0	0
Maranoa Regional Council	0	0	0	0	0
Western Downs Regional Council	0	0	0	0	0
Total	148	1	10	n/a	n/a

a. Calculated as an average of residential customers' total debt on entry to a hardship program.

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; 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 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	10	105	0	3	3	100	13	208
Australian Power and Gas	0	2	0	0	0	0	0	2
Dodo Power & Gas	0	0	0	0	0	0	0	0
Origin Energy	5	293	1	7	4	104	10	404
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
<i>Total</i>	<i>15</i>	<i>400</i>	<i>1</i>	<i>10</i>	<i>7</i>	<i>204</i>	<i>23</i>	<i>614</i>