

SMALL GAS CUSTOMER DISCONNECTION AND COMPLAINTS DATA SEPTEMBER QUARTER 2010

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 collected from licensed gas retailers.

From the start of 2010-11, retailers are required to report disconnections and complaints data on a quarterly basis 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.

During the September quarter 2010, there were four licensed gas distributors and nine licensed gas retailers in Queensland (AGL and Origin Energy both hold two licences). Maranoa Regional Council and Western Downs Regional Council each hold distribution and retail authorities 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. This includes all disconnections 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**.

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

Overall, retailers reported slightly more (28 or 2.2%) disconnections than distributors. This discrepancy may be due to slight timing differences between when retailers and distributors become aware that service order requests for disconnections have been completed.

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	37	42	251	239	288	281
Australian Power and Gas	0	0	0	0	0	0
Dodo Power & Gas	0	0	0	0	0	0
Energy Australia	0	0	0	0	0	0
Origin Energy	18	20	565	542	583	562
Maranoa Regional Council	67	67	338	338	405	405
Western Downs Regional Council	0	0	0	0	0	0
TOTAL	122	129	1,154	1,119	1,276	1,248

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	37	40	10	241	251	229	288	269
Australian Power and Gas	0	0	0	0	0	0	0	0
Dodo Power & Gas	0	0	0	0	0	0	0	0
Energy Australia	0	0	0	0	0	0	0	0
Origin Energy	9	12	63	326	389	383	398	395
Maranoa Regional Council	0	0	0	5	5	5	5	5
Western Downs Regional Council	0	0	0	0	0	0	0	0
Total	46	52	73	572	645	617	691	669

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.

Table 3 shows the number of disconnections performed at the instigation of the distributors during the September quarter 2010.

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	0	0	0	0	0	0
Envestra	0	0	2	11	0	0	2	11
Maranoa Regional Council	0	5	67	333	0	0	67	338
Western Downs Regional Council	0	0	0	0	0	0	0	0
Total	0	5	69	344	0	0	69	349

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 measure includes service orders for reconnection completed in the quarter. This information from retailers 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	7	67	74	13	0	73	86
Australian Power and Gas	0	0	0	0	0	0	0
Dodo Power & Gas	0	0	0	0	0	0	0
Energy Australia	0	0	0	0	0	0	0
Origin Energy	2	42	44	2	32	19	53
Maranoa Regional Council	0	4	4	0	0	4	4
Western Downs Regional Council	0	0	0	0	0	0	0
Total	9	113	122	15	32	96	143

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. 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. It is ongoing debt for existing customers, not where a customer has left the retailer and the final bill has been issued.

The reported information is shown in **Table 5**.

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	34	1	1	242	110
Australian Power and Gas	0	0	0	0	0
Dodo Power & Gas	0	0	0	0	0
Energy Australia	0	0	0	0	0
Origin Energy	25	0	15	<u>425413</u>	<u>218196</u>
Maranoa Regional Council	0	0	0	0	0
Western Downs Regional Council	0	0	0	0	0
Total	59	1	16	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; 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 entity. This information is shown in **Table 6**.

Table 6: Complaints received from small customers

Retail entity	Billing/account issues		Marketing issues		Other issues		Total	
	Small business customers	Small residential customers	Small business customers	Small residential customers	Small business customers	Small residential customers	Small business customers	Small residential customers
AGL	16	176	1	25	11	147	28	348
Australian Power and Gas	0	0	0	0	0	4	0	4
Dodo Power & Gas	0	0	0	0	0	0	0	0
Energy Australia	0	0	0	0	0	0	0	0
Origin Energy	103	5180	10	1426	54	73143	167	138249
Maranoa Regional Council	0	22	0	0	0	0	0	22
Western Downs Regional Council	0	0	0	0	0	0	0	0
Total	<u>2619</u>	<u>249278</u>	<u>21</u>	<u>3951</u>	<u>1615</u>	<u>224294</u>	<u>4435</u>	<u>512623</u>