

Queensland Competition Authority

Information Reporting

**Small Gas Customer Disconnection, Hardship and
Complaint Statistics - December Quarter 2014**

April 2015

Introduction

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

As at 31 December 2014, there were four gas distributors and four retailers supplying reticulated natural gas to small customers in Queensland². 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 reason for or method of disconnection.

Retailer initiated disconnections

Clause 5.5.2 of the Gas 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 Gas Code requires all distributors to report quarterly on 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 801 (or 37.2%) fewer 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. Nevertheless, we will continue to work with the parties involved to ensure discrepancies are minimised.

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

² Some retailers hold more than one licence.

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	22	54	477	883	499	937
Charlton Gas Pipeline ^a	0	0	0	0	0	0
Dodo Power & Gas	0	0	0	0	0	0
Origin Energy	48	56	524	879	572	935
Simply Energy	0	0	0	0	0	0
Maranoa Regional Council	1	1	43	43	44	44
Western Downs Regional Council	0	0	240	240	240	240
Total	71	111	1,284	2,045	1,355	2,156

a. Obtained a gas retail license in November 2014

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	21	25	55	265	320	358	341	383
Charlton Gas Pipeline ^a	0	0	0	0	0	0	0	0
Dodo Power & Gas	0	0	0	0	0	0	0	0
Origin Energy	19	19	38	131	169	259	188	278
Simply Energy	0	0	0	0	0	0	0	0
Maranoa Regional Council	0	0	2	10	12	12	12	12
Western Downs Regional Council	0	0	8	70	78	78	78	78
Total	40	44	103	476	579	707	619	751

a. Obtained a gas retail license in November 2014

Disconnections performed at the instigation of the distributors

Clause 5.5.4 of the Gas 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'³ reasons.

This information is shown in **Table 3**.

Table 3 Disconnections performed at the instigation of the distributor

Distribution entity	Due to non-payment		Safety reasons		Other reasons		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
APT Allgas Energy	0	1	0	5	13	35	13	41
Charlton Gas Pipeline ^a	0	0	0	0	0	0	0	0
Envestra Ltd	0	0	0	10	23	34	23	44
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	1	0	15	36	69	36	85

a. Obtained a gas distribution license in November 2014

Customer reconnections

Clause 5.5.2 of the Gas 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
- (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 gas to a small customer's premises has been restored after a disconnection.

This information is shown in **Table 4**.

³ All other disconnections other than those performed for non-payment of bills and for safety reasons.

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 customers</i>		<i>Total</i>
					<i>Pensioner/concession card holders</i>	<i>Others</i>	
AGL Sales	6	92	98	12	55	140	207
Charlton Gas Pipeline ^a	0	0	0	0	0	0	0
Dodo Power & Gas	0	0	0	0	0	0	0
Origin Energy	1	17	18	1	38	18	57
Simply Energy	0	0	0	0	0	0	0
Maranoa Regional Council	0	6	6	0	2	6	8
Western Downs Regional Council	0	18	18	0	8	23	31
Total	7	133	140	13	103	187	303

a. Obtained a gas retail license in November 2014

Hardship program participation by small residential customers

Clause 5.5.2 of the Gas 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	243	0	79	205	243
Charlton Gas Pipeline ^a	0	0	0	0	0
Dodo Power & Gas	0	0	0	0	0
Origin Energy	280	0	58	382	205
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	523	0	137	n/a	n/a

a. Obtained a gas retail license in November 2014

Customer complaints

Clause 5.5.3 of the Gas 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**.

There has been a significant increase in the number of complaints reported by Origin Energy (Origin) 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 led to an increase in the number of complaints without necessarily reflecting an increase in actual complaints received. However, the number of complaints, particularly residential complaints, reported by Origin continued to increase in the December quarter. Origin attributed the result to an increase in 'billing or accounts' related complaints, largely associated with customers requiring clarifications on their bills, which may not necessarily reflect actual complaints. Origin advised that this is typical of a December quarter given that it is the first full quarter after a typical price change event in July each year.

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	90	629	1	49	47	903	138	1,581
Charlton Gas Pipeline ^a	0	0	0	0	0	0	0	0
Dodo Power & Gas	0	0	0	0	0	0	0	0
Origin Energy	16	1,239	0	112	25	1,095	41	2,446
Simply Energy	0	0	0	0	0	0	0	0
Maranoa Regional Council	0	0	0	0	0	1	0	1
Western Downs Regional Council	0	0	0	0	0	0	0	0
Total	106	1,868	1	161	72	1,999	179	4,028

a. Obtained a gas retail license in November 2014