

# Queensland Competition Authority

Information Reporting

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

December 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.

As at 30 September 2014, there were four gas distributors and four retailers supplying reticulated natural gas to small customers in Queensland<sup>2</sup>. 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 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 141 (11.3%) 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. While the discrepancy between retailers and distributors (excluding regional councils) is smaller than recent quarters, we will continue to work with the parties involved to ensure discrepancies are minimised.

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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.

<sup>2</sup> 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	42	48	511	566	553	614
Dodo Power & Gas	0	0	0	0	0	0
Origin Energy	56	36	339	439	395	475
Simply Energy	0	0	0	0	0	0
Maranoa Regional Council	1	1	37	37	38	38
Western Downs Regional Council	0	0	122	122	122	122
<b>Total</b>	<b>99</b>	<b>85</b>	<b>1,009</b>	<b>1,164</b>	<b>1,108</b>	<b>1,249</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	30	26	83	274	357	230	387	256
Dodo Power & Gas	0	0	0	0	0	0	0	0
Origin Energy	12	8	9	130	139	128	151	136
Simply Energy	0	0	0	0	0	0	0	0
Maranoa Regional Council	0	0	1	9	10	10	10	10
Western Downs Regional Council	0	0	0	0	0	0	0	0
<b>Total</b>	<b>42</b>	<b>34</b>	<b>93</b>	<b>413</b>	<b>506</b>	<b>368</b>	<b>548</b>	<b>402</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	1	0	1	7	16	7	18
Envestra Ltd	0	0	1	5	11	28	12	33
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>0</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>18</b>	<b>44</b>	<b>19</b>	<b>51</b>

## 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
- (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**.

**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	7	68	75	9	83	124	216
Dodo Power & Gas	0	0	0	0	0	0	0
Origin Energy	3	42	45	4	9	60	73
Simply Energy	0	0	0	0	0	0	0
Maranoa Regional Council	0	6	6	0	1	5	6
Western Downs Regional Council	0	0	0	0	0	0	0
Total	10	116	126	13	93	189	295

### 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	245	0	48	195	241
Dodo Power & Gas	0	0	0	0	0
Origin Energy	245	0	16	396	213
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	490	0	64	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**.

There has been a significant increase in the number of complaints reported by Origin Energy 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 may have led to an increase in the numbers of complaints without necessarily reflecting an increase in actual complaints received. However, the number of complaints reported by Origin increased in the September quarter, and we are following up with Origin for an explanation.

**Table 6 Complaints received from small customers**

<i><b>Retail entity</b></i>	<i><b>Billing/account issues</b></i>		<i><b>Marketing issues</b></i>		<i><b>Other issues</b></i>		<i><b>Total</b></i>	
	<i><b>Small business customers</b></i>	<i><b>Small residential customers</b></i>	<i><b>Small business customers</b></i>	<i><b>Small residential customers</b></i>	<i><b>Small business customers</b></i>	<i><b>Small residential customers</b></i>	<i><b>Small business customers</b></i>	<i><b>Small residential customers</b></i>
AGL Sales	63	618	3	34	80	577	146	1,229
Dodo Power & Gas	0	0	0	0	0	0	0	0
Origin Energy	20	528	0	0	26	1,534	46	2,062
Simply Energy	0	0	0	0	0	0	0	0
Maranoa Regional Council	0	11	0	0	0	1	0	12
Western Downs Regional Council	0	0	0	0	0	0	0	0
<b>Total</b>	<b>83</b>	<b>1,157</b>	<b>3</b>	<b>34</b>	<b>106</b>	<b>2,112</b>	<b>192</b>	<b>3,303</b>