

Queensland Competition Authority

Information Reporting

**Small Electricity Customer Disconnection, Hardship
and Complaint Statistics - March Quarter 2014**

June 2014

Introduction

Clause 8.5.1 of the Electricity Industry Code (the Code) requires that the Authority monitor and publish information on the number of small electricity customer¹ disconnections and complaints.

As at 31 March 2014, there were three licensed distributors (Energex, Ergon Energy and Essential Energy) servicing 24 licensed retailers in Queensland, an increase of one from the previous quarter due to WINenergy being issued a licence. Of the 24 retailers, only 15 supplied electricity to small customers.

Customer disconnections

The Authority defines disconnections to include all instances where the flow of energy to a small customer's premises is terminated. This includes all disconnections initiated by the retailer through the Australian Energy Market Operator's (AEMO) Market Settlement and Transfer Solution (MSATS) system with a service order status of "completed" and "partially completed" as per AEMO's *B2B Procedure: Service Order Process* (version 1.7, section 2.6.5). This measure includes all disconnections irrespective of the method of disconnection.

Retailer initiated disconnections

Clause 8.5.3 of the Code requires that electricity 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 8.5.6 of the Code requires that distributors 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**.

Overall, retailers reported 170 (or 0.5%) more disconnections than did distributors. This small difference is due mainly to timing differences between when retailers and distributors become aware that service order requests for disconnections have been completed.

¹ Small customers are defined as those consuming less than 100MWh of electricity per year and include small residential customers and small business customers.

Table 1 Small customer disconnections

<i>Retail entity</i>	<i>Business customers</i>		<i>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	412	429	7,648	7,044	8,060	7,473
Australian Power and Gas	0	5	760	772	760	777
Click Energy	34	49	1,344	1,328	1,378	1,377
Cozero	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0
Diamond Energy	0	1	4	2	4	3
Dodo Power and Gas	0	0	1	4	1	4
EnergyAustralia ^a	75	123	1,546	1,858	1,621	1,981
Ergon Energy Queensland	990	990	5,447	5,447	6,437	6,437
ERM Power Retail	0	1	0	0	0	1
Lumo Energy	32	44	892	919	924	963
Momentum Energy	0	1	0	0	0	1
Origin Energy ^b	876	985	13,089	12,973	13,965	13,958
OzGen Retail	0	0	0	0	0	0
Powerdirect	127	128	221	220	348	348
Qenergy	68	56	23	39	91	95
Red Energy	0	1	0	0	0	1
Sanctuary Energy	0	0	6	6	6	6
Simply Energy	0	0	15	15	15	15
Stanwell ^c	0	0	0	0	0	0
TOTAL	2,614	2,813	30,996	30,627	33,610	33,440

a. Combines TRUenergy and EnergyAustralia from 8 October 2012. Also includes EnergyAustralia Yallourn.

b. Includes data for Sun Retail and Integral Energy.

c. Includes data for Tarong Energy.

Information from retailers and distributors related to disconnections for non-payment is presented in **Table 2**. Retailers reported 138 (1.9%) fewer disconnections for non-payment than did distributors. These discrepancies occur for the same reason mentioned above in relation to overall disconnections.

Table 2 Small customer disconnections due to non-payment

Retail entity	Business customers		Residential customers				Total	
	Retailer data	Distributor data	Retailer data			Distributor data	Retailer data	Distributor data
			Pensioner/ concession card holders	Others	Total			
AGL Sales	134	136	236	777	1,013	1,010	1,147	1,146
Australian Power and Gas	0	2	71	168	239	244	239	246
Click Energy	13	21	38	185	223	215	236	236
Cozero	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0
Diamond Energy	0	0	0	4	4	1	4	1
Dodo Power and Gas	0	0	0	4	4	4	4	4
EnergyAustralia ^a	21	40	12	108	120	222	141	262
Ergon Energy Queensland	106	106	733	2,227	2,960	2,960	3,066	3,066
ERM Power Retail	0	0	0	0	0	0	0	0
Lumo Energy	4	14	14	65	79	107	83	121
Momentum Energy	0	0	0	0	0	0	0	0
Origin Energy ^b	168	179	104	1,820	1,924	1,900	2,092	2,079
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	34	35	1	34	35	34	69	69
Qenergy	28	18	0	12	12	13	40	31
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	0	0	2	2	2	2	2
Simply Energy	0	0	1	2	3	1	3	1
Stanwell ^c	0	0	0	0	0	0	0	0
TOTAL	508	551	1,210	5,408	6,618	6,713	7,126	7,264

a. Combines TRUenergy and EnergyAustralia from 8 October 2012. Also includes EnergyAustralia Yallourn.

b. Includes data for Sun Retail and Integral Energy.

c. Includes data for Tarong Energy.

Disconnections performed at the instigation of distributors

Clause 8.5.6 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 Small customer 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>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>	
Energex	0	0	118	611	8	51	788
Ergon Energy	0	0	34	92	0	0	126
Essential Energy ^a	0	0	0	0	0	0	0
TOTAL	0	0	152	703	8	51	914

a. Named Country Energy prior to 1 March 2011.

Customer reconnections

Clause 8.5.3 of the Code requires that all electricity 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 for the previous quarter.

Reconnections occur when the flow of electricity to a small customer's premises has been restored after a disconnection. The measure includes service orders for reconnections completed in the quarter.

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

Table 4 Small customer reconnections, after being disconnected due to non-payment

Retail entity	Reconnections within 7 days			Total reconnections			
	Business customers	Residential customers	Total	Business customers	Residential customers		Total
					Pensioner/ Concession card holders	Others	
AGL Sales	22	263	285	22	76	199	297
Australian Power and Gas	0	130	130	0	38	96	134
Click Energy	1	93	94	1	19	76	96
Cozero	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0
Diamond Energy	0	4	4	0	0	4	4
Dodo Power and Gas	0	2	2	0	0	2	2
EnergyAustralia ^a	0	22	22	0	1	27	28
Ergon Energy Queensland	24	1,506	1,530	31	430	1,175	1,636
ERM Power Retail	0	0	0	0	0	0	0
Lumo Energy	1	40	41	1	11	30	42
Momentum Energy	0	0	0	0	0	0	0
Origin Energy ^b	49	755	804	54	93	729	876
OzGen Retail	0	0	0	0	0	0	0
Powerdirect	15	13	28	15	1	14	30
Qenergy	3	3	6	3	0	3	6
Red Energy	0	0	0	0	0	0	0
Sanctuary Energy	0	1	1	0	0	1	1
Simply Energy	0	1	1	0	1	1	2
Stanwell ^c	0	0	0	0	0	0	0
TOTAL	115	2,833	2,948	127	670	2,357	3,154

a. Combines TRUenergy and EnergyAustralia from 8 October 2012. Also includes EnergyAustralia Yallourn.

b. Includes data for Sun Retail and Integral Energy.

c. Includes data for Tarong Energy.

Hardship program participation by small residential customers

Clause 8.5.3 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 allows extended payment arrangements.

The number of customers participating in a hardship program provides an indication of the level of energy affordability in the electricity 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 electricity for a period of 90 days or more.

This information is shown in **Table 5**.

Click Energy reported that it recently undertook an audit of its hardship program. Click Energy discovered that this category had become a collection point for all customers on payment plans, rather than only genuine hardship cases. During the audit, all customers were removed from the hardship category and only true hardship cases placed back in the category. This explains the short average duration customers spent in a hardship program reported by Click Energy for the March quarter 2014 and the large number of customers exiting a hardship in the December quarter 2013. It is expected that the average length of time customers remain in a hardship program will increase in future reports.

Table 5 Hardship program uptake by small residential customers

<i>Retail entities</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	2,359	14	523	371	219
Australian Power and Gas	246	0	107	1,436	139
Click Energy	31	0	9	504	7
Cozero	0	0	0	0	0
CS Energy	0	0	0	0	0
Diamond Energy	0	0	0	0	0
Dodo Power and Gas	51	0	12	1,311	183
EnergyAustralia ^a	408	1	122	829	149
Ergon Energy Queensland	2,938	0	1,024	311	230
ERM Power Retail	0	0	0	0	0
Lumo Energy	197	0	43	520	243
Momentum Energy	0	0	0	0	0
Origin Energy ^b	2,350	0	454	797	300
OzGen Retail	0	0	0	0	0
Powerdirect	29	0	5	2,121	180
Qenergy	24	0	3	1,400	364
Red Energy	0	0	0	0	0

<i>Retail entities</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>
Sanctuary Energy	0	0	0	0	0
Simply Energy	0	2	0	0	0
Stanwell ^c	0	0	0	0	0
TOTAL	8,633	17	2,302	n/a	n/a

a. Combines TRUenergy and EnergyAustralia from 8 October 2012. Also includes EnergyAustralia Yallourn.

b. Includes data for Sun Retail and Integral Energy,

c. Includes data for Tarong Energy.

Customer complaints

Clause 8.5.4 of the Code requires that all electricity 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 for 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 an electricity entity.

This information is shown in **Table 6**.

The significant increase in complaints reported by Origin Energy is a result of a change in internal policy for capturing complaints, rather than an actual increase complaints received.

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>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>
AGL Sales	224	2,765	9	296	190	2,888	423	5,948
Australian Power and Gas	0	38	0	0	0	33	0	71
Click Energy	0	32	0	10	1	7	1	49
COzero Retail	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0

<i>Retail entity</i>	<i>Billing/ account issues</i>		<i>Marketing issues</i>		<i>'Other' issues</i>		<i>Total</i>	
Diamond Energy	0	2	0	0	0	2	0	4
Dodo Power and Gas	0	157	0	6	0	44	0	207
EnergyAustralia ^a	60	702	3	34	40	350	103	1,086
Ergon Energy Queensland	50	427	1	9	15	291	66	727
ERM Power Retail	0	0	0	0	0	0	0	0
Lumo Energy	10	187	1	22	5	235	16	444
Momentum Energy	4	1	0	0	5	0	9	1
Origin Energy ^b	274	3,293	0	12	267	8,571	541	11,876
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	18	114	0	24	111	512	129	650
Qenergy	3	2	0	0	1	0	4	2
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	55	0	4	0	7	0	66
Simply Energy	0	5	0	3	0	4	0	12
Stanwell ^c	0	0	0	0	0	0	0	0
Total	643	7,780	14	420	635	12,944	1,292	21,143

a. Combines TRUenergy and EnergyAustralia from 8 October 2012. Also includes EnergyAustralia Yallourn.

b. Includes data for Sun Retail and Integral Energy

c. Includes data for Tarong Energy.