

# Queensland Competition Authority

## Information Reporting

### Small Electricity Customer Disconnection, Hardship and Complaint Statistics - December Quarter 2014 (revised)

April 2015

## Introduction

Clause 8.5.1 of the Electricity Industry Code (the Electricity Code) requires that the Queensland Competition Authority (QCA) monitor and publish information on the number of small electricity customer<sup>1</sup> disconnections and complaints.

As at 31 December 2014, there were three distributors (Energex, Ergon Energy and Essential Energy) and 16 retailers supplying electricity to small customers.

## Customer disconnections

The QCA 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 2.2, section 2.6.5). This measure includes all disconnections irrespective of the reason for and method of disconnection.

## Retailer-initiated disconnections

Clause 8.5.3 of the Electricity 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 Electricity Code requires that distributors provide quarterly reports 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**.

Overall, retailers reported 423 (or 1.3%) more disconnections than did distributors. Retailers advised that part of the difference is due to timing variances 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.

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<sup>1</sup> 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>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	373	588	7,773	6,875	8,146	7,463
Click Energy	42	82	1,105	1,115	1,147	1,197
CoZero	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0
Diamond Energy	0	5	3	2	3	7
Dodo Power and Gas	0	0	11	11	11	11
EnergyAustralia <sup>a</sup>	97	189	1,789	1,874	1,886	2,063
Ergon Energy Queensland	994	950	4,857	4,848	5,851	5,798
ERM Power Retail	0	0	0	0	0	0
Lumo Energy	23	58	1,390	1,363	1,413	1,421
Momentum Energy	0	1	0	0	0	1
Origin Energy <sup>b</sup>	947	1,375	12,984	12,631	13,931	14,006
OzGen Retail	0	0	0	0	0	0
Powerdirect	114	118	241	240	355	358
Qenergy	108	78	42	67	150	145
Red Energy	0	0	0	0	0	0
Sanctuary Energy	0	5	7	2	7	7
Simply Energy	0	0	12	12	12	12
Stanwell <sup>c</sup>	0	0	0	0	0	0
<b>Total</b>	<b>2,698</b>	<b>3,449</b>	<b>30,214</b>	<b>29,040</b>	<b>32,912</b>	<b>32,489</b>

a. Includes data from 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 1.4% (or 96) less disconnections for non-payment than did distributors. These discrepancies occur for the same reason mentioned in the previous page in relation to total disconnections.

**Table 2 Small customer disconnections due to non-payment**

<i>Retail entities</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>
			<i>Pensioner/ Concession card holders</i>	<i>Others</i>	<i>Total</i>			
AGL Sales	86	109	309	841	1,150	1,126	1,236	1,235
Click Energy	13	24	49	154	203	200	216	224
CoZero	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0
Diamond Energy	0	2	0	3	3	1	3	3
Dodo Power and Gas	0	0	4	7	11	11	11	11
EnergyAustralia <sup>a</sup>	2	34	5	123	128	171	130	205
Ergon Energy Queensland	142	142	698	1,911	2,609	2,609	2,751	2,751
ERM Power Retail	0	0	0	0	0	0	0	0
Lumo Energy	8	15	21	225	246	240	254	255
Momentum Energy	0	0	0	0	0	0	0	0
Origin Energy <sup>b</sup>	140	206	406	1,777	2,183	2,127	2,323	2,333
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	24	25	9	18	27	26	51	51
Qenergy	21	23	0	11	11	12	32	35
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	1	1	1	2	1	2	2
Simply Energy	0	0	0	1	1	1	1	1
Stanwell <sup>c</sup>	0	0	0	0	0	0	0	0
<b>Total</b>	<b>436</b>	<b>581</b>	<b>1,502</b>	<b>5,072</b>	<b>6,574</b>	<b>6,525</b>	<b>7,010</b>	<b>7,106</b>

a. Includes data from 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 Electricity 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	134	718	11	32	895
Ergon Energy	0	0	14	28	0	0	42
Essential Energy	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>148</b>	<b>746</b>	<b>11</b>	<b>32</b>	<b>937</b>

### Customer reconnections

Clause 8.5.3 of the Electricity 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.

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**

<i>Retail entity</i>	<i>Reconnections within seven days</i>			<i>Total reconnections</i>			
	<i>Business customers</i>	<i>Residential customers</i>	<i>Total</i>	<i>Business customers</i>	<i>Residential customers</i>		<i>Total</i>
					<i>Pensioner/ Concession card holder</i>	<i>Other</i>	
AGL Sales	13	388	401	26	121	583	730
Click Energy	0	94	94	0	28	68	96
CoZero	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0
Diamond Energy	0	3	3	0	0	3	3
Dodo Power and Gas	0	3	3	0	3	0	3
EnergyAustralia <sup>a</sup>	0	2	2	1	3	2	6
Ergon Energy Queensland	75	1,307	1,382	84	429	1,013	1,526
ERM Power Retail	0	0	0	0	0	0	0
Lumo Energy	4	52	56	4	9	44	57
Momentum Energy	0	0	0	0	0	0	0
Origin Energy <sup>b</sup>	31	533	564	35	50	561	646
OzGen Retail	0	0	0	0	0	0	0
Powerdirect	11	16	27	11	5	11	27
Qenergy	13	6	19	13	0	6	19
Red Energy	0	0	0	0	0	0	0
Sanctuary Energy	0	2	2	0	1	1	2
Simply Energy	0	1	1	0	0	1	1
Stanwell <sup>c</sup>	0	0	0	0	0	0	0
<b>Total</b>	<b>147</b>	<b>2,407</b>	<b>2,554</b>	<b>174</b>	<b>649</b>	<b>2,293</b>	<b>3,116</b>

a. Includes data for 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 Electricity 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**.

**Table 5 Hardship program uptake 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 to a retailer hardship program (\$)</i>	<i>Average length of time a customer remained in a hardship program (days)</i>
AGL Sales	2,188	8	593	487	278
Click Energy	251	0	37	492	28
CoZero	0	0	0	0	0
CS Energy	0	0	0	0	0
Diamond Energy	6	0	0	633	108
Dodo Power and Gas	121	0	17	1,066	167
EnergyAustralia	1,046	0	109	761	182
Ergon Energy Queensland	3,603	0	1,410	390	174
ERM Power Retail	0	0	0	0	0
Lumo Energy	254	0	68	386	232
Momentum Energy	0	0	0	0	0
Origin Energy	5,192	0	1,053	924	232
OzGen Retail	0	0	0	0	0
Powerdirect	60	0	4	986	210
Qenergy	30	0	2	1,300	364
Red Energy	0	0	0	0	0
Sanctuary Energy	4	0	0	123	42
Simply Energy	2	0	0	0	159
Stanwell	0	0	0	0	0
<b>Total</b>	<b>12,757</b>	<b>8</b>	<b>3,293</b>	<b>n/a</b>	<b>n/a</b>

- a. Includes data from 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 Electricity 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**.

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 numbers 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. 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 as 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>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 <sup>a</sup>	385	4,320	21	464	302	3,516	708	8,300
Click Energy	0	32	0	6	0	25	0	63
COZero	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0
Diamond Energy	0	3	0	0	0	1	0	4
Dodo Power and Gas	0	39	0	3	0	25	0	67
EnergyAustralia <sup>b</sup>	47	571	2	53	15	253	64	877
Ergon Energy Queensland	44	308	1	12	30	270	75	590
ERM Power Retail	0	0	0	0	0	0	0	0
Lumo Energy	5	260	0	15	4	269	9	544
Momentum Energy	3	0	0	0	4	0	7	0
Origin Energy <sup>c</sup>	416	13,152	34	1,370	516	10,108	966	24,630
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	214	352	4	11	136	282	354	645
Qenergy	3	3	0	0	0	0	3	3
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	1	18	0	2	4	79	5	99
Simply Energy	0	5	0	1	0	8	0	14
Stanwell <sup>d</sup>	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1,118</b>	<b>19,063</b>	<b>62</b>	<b>1,937</b>	<b>1,011</b>	<b>14,836</b>	<b>2,191</b>	<b>35,836</b>

a. Includes data for EnergyAustralia Yallourn.

b. Includes data for Sun Retail and Integral Energy.

c. Includes data for Tarong Energy