

# Queensland Competition Authority

Information Reporting

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## Small Electricity Customer Disconnection, Hardship and Complaints Statistics - June Quarter 2015

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October 2015

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## INTRODUCTION

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Prior to 1 July 2015, clause 8.5.1 of the Electricity Industry Code (the Electricity Code) required the Queensland Competition Authority (QCA) to monitor and publish information on the number of small electricity customer<sup>1</sup> disconnections and complaints.

Under the National Energy Customer Framework, which was adopted in Queensland on 1 July 2015, the Australian Energy Regulator (AER) has responsibility for this function and will be collecting and publishing this information from the September quarter of 2015.

This report provides disconnections and complaints information for the June quarter.

As at 30 June 2015 there were three distributors (Energex, Ergon Energy and Essential Energy) servicing 16 retailers who supplied electricity to small customers.<sup>2</sup>

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

<sup>2</sup> Some of these retailers hold more than one licence.

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## DISCONNECTIONS

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### Customer disconnections

The QCA defines disconnections as all instances where the flow of energy to a small customer's premises is terminated. This 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 1450 (or 4.1%) fewer 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.

**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 <sup>a</sup>	286	649	8,430	7,147	8,716	7,796
Click Energy	54	106	1,157	1,112	1,211	1,218
Diamond Energy	0	6	9	8	9	14
Dodo Power and Gas	0	0	5	3	5	3
Energy Australia <sup>b</sup>	11	231	1,198	2,235	1,209	2,466
Ergon Energy Queensland	1,229	1,244	6,748	6,827	7,977	8,071
ERM Power Retail	0	0	0	0	0	0
GoEnergy <sup>c</sup>	0	0	0	0	0	0
Lumo Energy	19	46	1,315	1,288	1,334	1,334
Momentum Energy	2	4	0	0	2	4
Origin Energy <sup>d,e</sup>	1,768	1,542	11,453	12,672	13,221	14,214
Powerdirect	130	147	411	397	541	544
Qenergy	57	52	41	54	98	106
Red Energy	0	2	0	0	0	2
Sanctuary Energy	0	3	4	2	4	5
Simply Energy	0	0	14	14	14	14
<b>Total</b>	<b>3,556</b>	<b>4,032</b>	<b>30,785</b>	<b>31,759</b>	<b>34,341</b>	<b>35,791</b>

a. Includes data for AGL Sales (Queensland Electricity)

b. Includes data for Energy Australia Yallourn.

c. Was previously COZero.

d. Includes data for Sun Retail.

e. Origin Energy has revised its reporting methodology from previous quarters to meet the AER's reporting requirements.

Information from retailers and distributors related to disconnections for non-payment is presented in Table 2. Retailers reported 1.2% (or 96) fewer disconnections for non-payment than did distributors. These discrepancies occur as a result of timing variances between when retailers and distributors become aware that service order requests for disconnections have been completed.

**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 holder	Other	Total			
AGL Sales <sup>a</sup>	110	153	365	968	1,333	1,286	1,443	1,439
Click Energy	7	15	22	130	152	144	159	159
Diamond Energy	0	4	1	8	9	5	9	9
Dodo Power and Gas	0	0	0	1	1	1	1	1
Energy Australia <sup>b</sup>	7	25	9	177	186	265	193	290
Ergon Energy Queensland	141	141	762	2,847	3,609	3,606	3,750	3,747
ERM Power Retail	0	0	0	0	0	0	0	0
GoEnergy <sup>c</sup>	0	0	0	0	0	0	0	0
Lumo Energy	1	1	0	4	4	4	5	5
Momentum Energy	1	2	0	0	0	0	1	2
Origin Energy <sup>d,e</sup>	157	239	577	1,604	2,181	2,100	2,338	2,339
Powerdirect	28	39	37	130	167	157	195	196
Qenergy	9	10	0	14	14	15	23	25
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	1	0	2	2	2	2	3
Simply Energy	0	0	0	1	1	1	1	1
<b>Total</b>	<b>461</b>	<b>630</b>	<b>1,773</b>	<b>5,886</b>	<b>7,659</b>	<b>7,586</b>	<b>8,120</b>	<b>8,216</b>

a. Includes data for AGL Sales (Queensland Electricity)

b. Includes data for Energy Australia Yallourn.

c. Was previously COZero.

d. Includes data for Sun Retail.

e. Origin Energy has revised its reporting methodology from previous quarters to meet the AER's reporting requirements.

## 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	120	542	23	41	726
Ergon Energy	0	0	19	45	0	0	64
Essential Energy	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>139</b>	<b>587</b>	<b>23</b>	<b>41</b>	<b>790</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 on-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 7 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 <sup>a</sup>	27	518	545	48	156	629	833
Click Energy	1	67	68	1	16	55	72
Diamond Energy	0	7	7	0	1	6	7
Dodo Power and Gas	0	0	0	0	0	0	0
Energy Australia <sup>b</sup>	0	83	83	0	2	2	4
Ergon Energy Queensland	52	1,716	1,768	57	432	1,387	1,876
ERM Power Retail	0	0	0	0	0	0	0
GoEnergy <sup>c</sup>	0	0	0	0	0	0	0
Lumo Energy	0	2	2	0	0	2	2
Momentum Energy	1	0	1	1	0	0	1
Origin Energy <sup>d,e</sup>	52	1,217	1,269	54	332	975	1,361
Powerdirect	10	107	117	11	23	86	120
Qenergy	1	5	6	1	0	5	6
Red Energy	0	0	0	0	0	0	0
Sanctuary Energy	0	2	2	0	0	2	2
Simply Energy	0	0	0	0	0	0	0
<b>Total</b>	<b>144</b>	<b>3,724</b>	<b>3,868</b>	<b>173</b>	<b>962</b>	<b>3,149</b>	<b>4,284</b>

a. Includes data for AGL Sales (Queensland Electricity)

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## HARDSHIP PROGRAM PARTICIPATION BY SMALL RESIDENTIAL CUSTOMERS

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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.

Retailers reported that a total of 15,003 residential customers were participating in a hardship program during the quarter. The average level of debt upon entry into a hardship program varied amongst retailers from \$191 to \$1,436 per customer. The average period of participation ranged from 46 to 365 days.

Retailers also reported a total of 5,764 residential customers exiting a hardship program during the quarter. This figure may include instances where the customer completed or exited the program and returned to the normal billing cycles, or where the customer has moved from the program for non-compliance, or where the customer is no longer a customer of that retailer.

This information is shown in Table 5.

**Table 5 Hardship program uptake by small 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 <sup>a</sup>	2,519	0	457	550	295
Click Energy	266	0	297	474	46
Diamond Energy	8	0	2	876	178
Dodo Power and Gas	266	0	88	1,141	175
Energy Australia <sup>b</sup>	1,664	0	1	801	242
Ergon Energy Queensland	5,515	0	3,307	301	127
ERM Power Retail	0	0	0	0	0
GoEnergy <sup>c</sup>	0	0	0	0	0
Lumo Energy	302	0	135	264	207
Momentum Energy	0	0	0	0	0
Origin Energy <sup>d,e</sup>	4,330	0	1,444	676	222
Powerdirect	95	0	31	1,436	251
Qenergy	34	0	0	1,400	365
Red Energy	0	0	0	0	0
Sanctuary Energy	4	0	0	191	106
Simply Energy	0	0	2	0	0
<b>Total</b>	<b>15,003</b>	<b>0</b>	<b>5,764</b>	<b>n/a</b>	<b>n/a</b>

a. Includes data for AGL Sales (Queensland Electricity)

b. Includes data for Energy Australia Yallourn.

c. Was previously COZero.

d. Includes data for Sun Retail.

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## CUSTOMER COMPLAINTS

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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.

**Table 6 Complaints received from small customers**

<i>Retail entity</i>	<i>Billing/ account complaints</i>		<i>Marketing complaints</i>		<i>Other' complaints</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>	173	1,512	26	170	142	1,461	341	3,143
Click Energy	0	22	0	3	0	36	0	61
Diamond Energy	0	1	0	2	0	3	0	6
Dodo Power and Gas	0	52	0	6	0	30	0	88
Energy Australia <sup>b</sup>	50	482	2	37	16	162	68	681
Ergon Energy Queensland	61	302	0	4	41	468	102	774
ERM Power Retail	0	0	0	0	0	0	0	0
GoEnergy <sup>c</sup>	0	0	0	0	0	0	0	0
Lumo Energy	6	226	0	21	6	175	12	422
Momentum Energy	4	0	0	0	1	0	5	0
Origin Energy <sup>d,e</sup>	925	12,713	70	1,431	117	10,710	1,112	24,854
Powerdirect	223	322	0	3	191	300	414	625
Qenergy	4	5	0	1	5	3	9	9
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	3	0	0	0	50	0	53
Simply Energy	0	5	0	0	0	10	0	15
<b>Total</b>	<b>1,446</b>	<b>15,645</b>	<b>98</b>	<b>1,678</b>	<b>519</b>	<b>13,408</b>	<b>2,063</b>	<b>30,731</b>

a. Includes data for AGL Sales (Queensland Electricity)

b. Includes data for Energy Australia Yallourn.

c. Was previously COZero.

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