

# Queensland Competition Authority

## Information Reporting

### Small Electricity Customer Disconnection, Hardship and Complaint Statistics - September Quarter 2013 (Revised)

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 customer<sup>1</sup> disconnections and complaints.

As at 30 September 2013, there were three licensed distributors (Energex, Ergon Energy and Essential Energy) servicing 22 licensed retailers in Queensland, a decrease of one from the previous quarter due to Aurora Energy surrendering their licence. Of the 22 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 22 (or 0.1%) fewer 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.

While Origin Energy's overall disconnection number is quite close to Energex's, the discrepancies between business and residential customers are significant. This has been raised with Origin Energy and they are investigating the discrepancies.

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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**

Retail entity	Business customers		Residential customers		Total	
	Retailer data	Distributor data	Retailer data	Distributor data	Retailer data	Distributor data
AGL Sales	370	361	7,399	7,370	7,769	7,731
Australian Power and Gas	0	2	843	911	843	913
Click Energy	15	18	845	848	860	866
Cozero	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0
Diamond Energy	0	0	0	1	0	1
Dodo Power and Gas	0	0	2	0	2	0
EnergyAustralia <sup>a</sup>	95	142	1,830	1,707	1,925	1,849
Ergon Energy Queensland	1,009	1,009	5,406	5,406	6,415	6,415
ERM Power Retail	0	1	0	0	0	1
Essential Energy <sup>b</sup>	0	0	0	0	0	0
Lumo Energy	27	33	735	864	762	897
Momentum Energy	0	0	0	0	0	0
Origin Energy <sup>c</sup>	550	1,014	13,754	13,193	14,304	14,207
OzGen Retail	0	0	0	0	0	0
Powerdirect	190	189	148	150	338	339
Qenergy	71	78	39	50	110	128
Red Energy	0	1	0	0	0	1
Sanctuary Energy	0	0	4	4	4	4
Simply Energy	0	0	1	2	1	2
Stanwell <sup>d</sup>	0	0	0	0	0	0
<b>TOTAL</b>	<b>2,327</b>	<b>2,849</b>	<b>31,006</b>	<b>30,506</b>	<b>33,333</b>	<b>33,355</b>

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

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy.

d. Includes data for Tarong Energy.

Information from retailers and distributors related to disconnections for non-payment is presented in **Table 2**. Retailers reported 329 (4.6%) 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**

<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>
			<i>Pensioner/ concession card holders</i>	<i>Others</i>	<i>Total</i>			
AGL Sales	104	104	179	640	819	822	923	926
Australian Power and Gas	0	0	50	110	160	209	160	209
Click Energy	0	1	25	91	116	116	116	117
Cozero	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0
Diamond Energy	0	0	0	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0	0	0	0
EnergyAustralia <sup>a</sup>	13	53	5	89	94	142	107	195
Ergon Energy Queensland	109	109	856	2,355	3,211	3,211	3,320	3,320
ERM Power Retail	0	0	0	0	0	0	0	0
Essential Energy <sup>b</sup>	0	0	0	0	0	0	0	0
Lumo Energy	5	11	7	54	61	188	66	199
Momentum Energy	0	0	0	0	0	0	0	0
Origin Energy <sup>c</sup>	290	274	57	1,696	1,753	1,811	2,043	2,085
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	74	74	0	30	30	30	104	104
Qenergy	20	24	0	5	5	14	25	38
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0	0	0	0
Simply Energy	0	0	0	0	0	0	0	0
Stanwell <sup>d</sup>	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>615</b>	<b>650</b>	<b>1,179</b>	<b>5,070</b>	<b>6,249</b>	<b>6,543</b>	<b>6,864</b>	<b>7,193</b>

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

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy.

d. 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>	
Engex	0	0	45	370	44	126	585
Ergon Energy	0	0	28	43	0	0	71
Essential Energy <sup>a</sup>	0	0	0	0	0	0	0
<b>TOTAL</b>	0	0	73	413	44	126	656

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**

<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 holders</i>	<i>Others</i>	
AGL Sales	19	268	287	41	66	369	476
Australian Power and Gas	0	65	65	0	21	44	65
Click Energy	0	52	52	0	18	36	54
Cozero	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0
Diamond Energy	0	0	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0	0	0
EnergyAustralia <sup>a</sup>	0	10	10	0	0	11	11
Ergon Energy Queensland	57	1,956	2,013	62	562	1,468	2,092
ERM Power Retail	0	0	0	0	0	0	0
Essential Energy <sup>b</sup>	0	0	0	0	0	0	0
Lumo Energy	2	33	35	2	2	31	35
Momentum Energy	0	0	0	0	0	0	0
Origin Energy <sup>c</sup>	84	773	857	86	34	758	878
OzGen Retail	0	0	0	0	0	0	0
Powerdirect	25	16	41	25	0	17	42
Qenergy	7	3	10	7	0	3	10
Red Energy	0	0	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0	0	0
Simply Energy	0	0	0	0	0	0	0
Stanwell <sup>d</sup>	0	0	0	0	0	0	0
<b>TOTAL</b>	194	3,176	3,370	223	703	2,737	3,663

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

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy.

d. 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 allowed 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 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	1,585	5	366	421	213
Australian Power and Gas	127	54	95	1,695	195
Click Energy	304	0	80	198	133
Cozero	0	0	0	0	0
CS Energy	0	0	0	0	0
Diamond Energy	0	0	0	0	0
Dodo Power and Gas	33	0	1	1,047	137
EnergyAustralia <sup>a</sup>	348	0	73	898	198
Ergon Energy Queensland	2,998	0	1,870	648	236
ERM Power Retail	0	0	0	0	0
Essential Energy <sup>b</sup>	0	0	0	0	0
Lumo Energy	202	0	40	618	185
Momentum Energy	0	0	0	0	0
Origin Energy <sup>c</sup>	2,838	0	776	3,173	435

<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>
OzGen Retail	0	0	0	0	0
Powerdirect	40	0	1	3,080	155
Qenergy	22	0	2	700	350
Red Energy	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0
Simply Energy	0	0	0	0	0
Stanwell <sup>d</sup>	0	0	0	0	0
<b>TOTAL</b>	8,497	59	3,304	n/a	n/a

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

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy,

d. 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**.

**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	181	2,120	8	181	166	2,206	355	4,507

<b>Retail entity</b>	<b>Billing/ account issues</b>		<b>Marketing issues</b>		<b>'Other' issues</b>		<b>Total</b>	
Australian Power and Gas	0	58	0	0	0	0	0	58
Click Energy	1	37	1	6	0	0	2	43
COzero Retail	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0
Diamond Energy	0	2	0	0	0	0	0	2
Dodo Power and Gas	0	309	0	2	0	75	0	386
EnergyAustralia <sup>a</sup>	27	533	1	61	13	258	41	852
Ergon Energy Queensland	60	658	0	5	27	288	87	951
ERM Power Retail	0	0	0	0	0	0	0	0
Essential Energy <sup>b</sup>	0	0	0	0	0	0	0	0
Lumo Energy	0	289	0	14	0	356	0	659
Momentum Energy	3	1	0	0	0	0	3	1
Origin Energy <sup>c</sup>	122	1,251	0	17	74	669	196	1,937
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	4	19	1	5	16	33	21	57
Qenergy	6	2	0	0	2	0	8	2
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	40	0	1	0	2	0	43
Simply Energy	0	0	0	0	0	0	0	0
Stanwell <sup>d</sup>	0	0	0	0	0	0	0	0
<b>Total</b>	<b>404</b>	<b>5,319</b>	<b>11</b>	<b>292</b>	<b>298</b>	<b>3,887</b>	<b>713</b>	<b>9,498</b>

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

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy

d. Includes data for Tarong Energy.